S. HRG. 98-757

FISCAL YEAR 1984 SUPPLEMENTAL REQUEST FOR DEPARTMENT OF DEFENSE

HEARINGS

BEFORE A

SUBCOMMITTEE OF THE

COMMITTEE ON APPROPRIATIONS
UNITED STATES SENATE

NINETY-EIGHTH CONGRESS

SECOND SESSION

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SPECIAL HEARINGS

Pay and Program Supplemental

Supplemental Appropriations Supporting U.S. Military Actions in and Around Grenada

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(Wednesday, March 21, 1984)

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PAY AND PROGRAM SUPPLEMENTAL

WEDNESDAY, MARCH 21, 1984

U.S. SENATE,
SUBCOMMITTEE OF THE COMMITTEE ON APPROPRIATIONS,
Washington, D.C.

The subcommittee met at 10 a.m., in room SD–406, Dirksen Senate Office Building, Hon. Ted Stevens (chairman) presiding.

Present: Senator Stevens.

DEPARTMENT OF DEFENSE

ASSISTANT SECRETARY OF DEFENSE (COMPTROLLER)

STATEMENT OF DAVID J. HESSLER, DEPUTY COMPTROLLER FOR PROGRAM/BUDGET, ASSISTANT SECRETARY OF DEFENSE (COMPTROLLER)

ACCOMPANIED BY:

LAWRENCE P. DUBE, DIRECTOR FOR OPERATIONS, DEPUTY ASSISTANT SECRETARY OF DEFENSE (PROGRAM/BUDGET) ASSISTANT SECRETARY OF DEFENSE (COMPTROLLER); AND

ALBERT CONTE, DIRECTOR FOR MILITARY PERSONNEL, DEPUTY ASSISTANT SECRETARY OF DEFENSE (PROGRAM/BUDGET), ASSISTANT SECRETARY OF DEFENSE (COMPTROLLER)

ARMY

MAJ. GEN. HAROLD M. DAVIS, JR., DIRECTOR OF ARMY BUDGET, COMPTROLLER OF THE ARMY

NAVY

CAPT. STEVEN F. LOFTUS, ASSISTANT DIRECTOR OF BUDGET AND REPORTS, COMPTROLLER OF THE NAVY

BRIG. GEN. H. E. DAVISON, DEPUTY FISCAL DIRECTOR OF THE MARINE CORPS

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BRIG. GEN. MARK J. WORRICK, DEPUTY DIRECTOR OF BUDGET (OPERATIONS), COMPTROLLER OF THE AIR FORCE

COL. KENNETH T. HARMON, PERSONNEL BUDGET DIVISION, DIRECTOR OF PERSONNEL PROGRAMS, DEPUTY CHIEF OF STAFF MANPOWER AND PERSONNEL, DEPARTMENT OF THE AIR FORCE

PREPARED STATEMENT

Senator STEVENS. Good morning. This is the time for us to proceed with our hearing on the pay and program supplemental for

the Department of Defense. At this time, I am going to put my complete statement in the record.

[The prepared statement of Senator Stevens follows:]

PREPARED STATEMENT OF SENATOR STEVENS

The subject of today's hearing is the pay and program supplemental appropriations request of the Defense Department. The amount requested is $2.3 billion. This includes $138.5 million for recent peacekeeping operations in Lebanon and Grenada, $1.8 billion for military and civilian pay raises and about $400 million for other programatic changes.

In fiscal year 1983 the Congress required the Defense Department to absorb 25% of the cost of the military and civilian pay raise. This caused serious execution problems in the military personnel appropriations and this Committee opposed adopting a similar position in the 1984 budget. Nonetheless, the Defense Department should not conclude that the Congress will accept any request for supplemental appropriations without proper justification.

The Congress is concerned with the deficit and the effect of government spending. One method to help control spending this year is to ensure that all available resources within the Defense Department are used before any supplemental requests are approved. Therefore, this Committee will be carefully reviewing the requirements for this supplemental appropriation request. Savings identified within the amounts already appropriated for fiscal year 1984 will be used to offset this request.

INTRODUCTION OF WITNESSES

Senator STEVENS. Let me welcome David Hessler, Deputy Comptroller for Program/Budget in the Office of Assistant Secretary of Defense for the Comptroller.

Mr. Hessler, do you want to introduce the witnesses with you. We will print your statement completely in the record. I might state that the President is on his way here, and will be in the other building at 10 minutes of 11, so we will have to end this hearing by that time.

I would appreciate it if you could sumarize your statements. We will have some questions. I know that you understand the problem.

SUPPLEMENTAL BUDGET REQUEST

Mr. HESSLER. Thank you, Mr. Chairman. It is a pleasure to be here for Mr. Glaister. Unfortunately, he was not able to attend. I understand his prepared statement has been submitted to the committee and copies are there for you to put in the record.

If you agree, sir, I will give you a few highlights from the statement, rather than read the entire statement.

The deartment has submitted three supplemental proposals for fiscal year 1984 totaling $2.5 billion. In November, we submitted $85 million for a military construction project in Iceland and Egypt. In December, we submitted a $1.8 billion supplemental to provide for a 4-percent military and 3.5-percent civilian pay increse effective January 1, 1984. In January of this year, along with the fiscal year 1985 budget, we submitted a $550 million pogram supplemental to cover increased and unbudgeted costs relative to Lebanon, which amounted to $63 million, and Grenada, which amounted to $76 million.

LEGISLATIVE AND PROGRAM CHANGES

There are also some funding increases in our supplemental request related to legislative and program changes. One is for the DOD's

share of social security taxes for new civilian employees hired after January 1, 1984, and that amounts to $28 million. The cost of employer's share of the health insurance for civilian employees was increased and that amounts to $77 million.

We are requested to make full reimbursement to the Department of Labor for disability compensation payments for DOD employees, and that amounts to $63 million. We are also requesting funds to support retired pay increases for consumer price adjustments scheduled for next May, which are not included in the President's budget, of $243 million.

The last area for your consideration in the supplemental request, Mr. Chairman, addresses some general provisions of the DOD Appropriation Act for 1984. We are proposing repeal of section 731 of Public Law 98-212 so that we can reimburse the Department of Labor for payments to the Federal Employee Compensation Fund. We are also requesting authority to use $220 million for within fiscal year 1984 funds already appropriated for a special classified program. Authorization language has been approved for that program. Authorization language has been approved for that program in Public Law 98-94.

This completes my statement, Mr. Chairman. I would be happy to furnish such additional information as you may require. In addition, the budget officers of the military departments are here to address the particular requirements in their respective areas. We will try to be responsive to any questions you may have.

[The prepared statement of Mr. Glaister follows:]

PREPARED STATEMENT OF DAVID J. HESSLER

DEPUTY COMPTROLLER, (P/B)

Mr. Chairman and Members of the Committee:

It is indeed a pleasure to appear before this Committee today to present the Department of Defense pay and program supplemental request for FY 1984. A large part of our requirements are due to legislation passed by the Congress, the funds for which were not previously included in the Defense budget for 1984 and, therefore, are being presented to you for the first time.

Our total supplemental request is $2.3 billion, of which $1.8 billion is for military and civilian pay increases and $550 million is for other important requirements. I will first address our pay supplemental.

FY 1984 Pay Supplemental

The pay supplemental for Defense consists of the following amounts:

	($ thousands)
Increase in active & reserve military pay	1,195,630
Increase in classified civilian pay	417,890
FY 1984 Wage Board increases	162,300
Total DoD pay request	1,775,820

The attached Table 1 displays the above pay supplemental requirements by appropriation account. As you know, the FY 1984 President's budget submitted in January 1983, and subsequently amended in September 1983, did not contain any contingency amounts for military and civilian pay increases in view of the Administration's recommendations for a total government pay freeze in FY 1984. Therefore, the supplemental appropriations being requested for pay are additive to the appropriations enacted by Congress for FY 1984.

The proposed supplemental is based on the following pay rates:

Military personnel (effective January 1, 1984)	4.0 %
Classified civilian (effective January 1, 1984)	3.5 %
Wage Board personnel (average annual rate)	3.5 %

The rate of pay increase for military personnel was set forth in both the Defense Authorization Act, 1984, as well as the President's Federal Pay Comparability Alternative Plan. Both proposals assumed a 4 percent increase. Although the President's Federal Pay Comparability Alternative Plan included a 3.5 percent increase in classified civilian pay, the Resolution for

Continuing Appropriations for 1984 provided language stating that wage board employees receive the same pay increase as classified and that the increase be delayed by the same three months, or 90 days.

Military Pay Increases

No absorption is reflected in the pay supplemental request for military personnel appropriations; the $1,195,630 represents the full cost of the pay increase. We are unable to absorb these costs without reducing strengths or cutting back on compensation initiatives already approved by Congress in the FY 1984 enacted appropriations. The basic appropriations enacted for FY 1984 programs for military personnel reflect the foresight of Congressional actions and this Administration's commitment to provide adequate and reasonable compensation for our military members.

Classified Civilian and Wage Board Increases

Classified civilian and wage board increases total $580,190,000, of which $417,890,000 is for classified civilian pay raises and $$162,300,000 is for wage board increases. We are proposing to absorb about $66 million, or 10 percent, of the cost of these civilian pay increases within the various Defense appropriations; $57 million in the classified civilian personnel area and $9 million of the total wage board increases. These absorptions are being taken in the following accounts: Operation and Maintenance, $21,142,000; RDT&E, $35,827,000; and $9,133,000 in Military Construction appropriations.

The FY 1984 supplemental pay estimate of $162,300,000 for wage board, or blue collar personnel covers both increases actually granted by area wage-fixing authorities after January 1, 1984 and increases anticipated through September 30, 1984. The annual rate, therefore, averages 3.5 percent for these employees, which is consistent with the pay increase for classified civilians as required by the language of the Resolution for Continuing Appropriations. This request is comprised of $129,698,000 for U.S. wage board personnel, $28,057,000 to cover pay increases of direct hire foreign national personnel, and $4,545,000 for separation pay liabilities attributed to the pay increase of these foreign nationals.

Further absorption of the civilian pay increase would impact those appropriations and programs that provide our readiness capabilities in support of the Defense posture. In addition, it would cause disruption to ongoing programs already approved by Congress in the FY 1984 enacted appropriations.

FY 1984 Program Supplemental

In addition to the pay supplemental, the President, as you know, has requested and transmitted with the FY 1985 budget request, a program supplemental of $549,900,000 for FY 1984. The attached Table 2 displays this request by category and by appropriation account. With the exception of the incremental costs incurred for Lebanon and Grenada, our requests for supplemental appropriations are to cover costs that result from

related legislation already enacted by the Congress. I will address these costs first.

Social Security Taxes

Public Law 98-21, the Social Security Amendments of 1983, requires payments of the employer's share of the tax for new federal employees that begin employment on or after January 1, 1984. In addition, the wage base or salary rate on which both the FICA and the Old-age Survivors and Disability Insurance (OASDI) taxes are to be computed increased from $35,700 to $37,800. These requirements account for increased costs to DoD of $28,300,000 in our Operation and Maintenance appropriations.

Increased Health Insurance Costs

Effective January 1984, new rates for employee health insurance plans were announced. Likewise, additional funding requirements are imposed upon Defense to meet comparable increases in our employer contributions for employee health insurance benefits. These costs are significant and total $77,300,000 in the Operation and Maintenance appropriations.

Disability Compensation Fund

In the DoD Appropriation Act, 1984, Congress limited DoD's contribution to the Federal Employees Compensation Fund stating that, because of inaccurate billing procedures in the Department of Labor, Defense was being overcharged. Related to this request for supplemental appropriations is language that proposes repeal of Section 731 of the DoD Appropriation Act, 1984, which limits Defense payments to the Federal Employees Compensation Fund. We have since learned that management improvements have been made to these billing procedures and, therefore, we are requesting supplemental funding in the amount of $62,800,000 to reimburse the Department of Labor for costs associated with actual payment of claims to federal employees.

Retired Pay COLA

This supplemental request includes funds for the Retired Pay appropriation to support the cost-of-living allowance (COLA) adjustment currently required under the provisions of the Omnibus Reconciliation Act of 1982, Public Law 97-253. This Act provides a COLA adjustment effective May 1, 1984; however, the FY 1984 enacted appropriations do not include funds for this purpose. Thus, $243,000,000 is required in this supplemental to pay the COLA adjustment. However, I might mention briefly at this point, that the budget also includes proposed legislation, which will be transmitted separately at a later date, that recommends delayed implementation of the May 1984 COLA adjustment to January 1985. This legislation, if approved, will negate our supplemental request for the $243 million that is included here now.

I will address now our supplemental request for FY1984 for costs associated with Lebanon and Grenada operations. I present

this request for additional funding for costs actually accruing to Defense.

Lebanon and Grenada

Our supplemental request for Lebanon provides for the incremental costs incurred to sustain a higher level of activity for an aircraft carrier battle group, a Marine amphibious readiness group, amphibious lift and gun fire support off the coast in support of one reinforced Marine Corps battalion landing team ashore. Costs have been incurred associated with increased steaming of ships, aircraft flight operations, maintenance of a resupply channel to the Eastern Mediterranean in support of Marines ashore and ships operating in the area. Also, funding is required for replacement of consumable supplies for the Marine Corps such as fuel, batteries, reserve stocks and equipment lost in the Beirut bombing, and reinforcements for manned guard posts. A small amount of funding is requested for increases in death gratuity payments to beneficiaries of Marine Corps personnel killed in the terrorist attack on Marine Headquarters in Beirut. In total, we are requesting $63 million for these costs.

Also included in our request is funding to provide for the incremental costs of operations in Grenada such as airlift and sealift, unit operations, repair of battle damaged Army aircraft, costs incurred to sustain a higher level of activity for an aircraft carrier battle group, a Marine amphibious readiness group, and the movement of materiel in support of landings, as well as funds requested for death gratuities associated with our operations there. Our supplemental request is for $75.5 million in this area.

General Provisions

The last area for your consideration in our supplemental request addresses some General Provisions of the DoD Appropriation Act for 1984. As I discussed earlier, we are proposing repeal of Section 731 of Public Law 98-212 so that we can reimburse the Department of Labor for payments to the Federal Employees Compensation Fund.

Recently transmitted to you by the President was a request to permit the use of $220 million from within the FY 1984 funds already appropriated, for a special classified program. Authorizing language has been approved in Public Law 98-94, the Defense Authorization Act, 1984, and we now seek your favorable consideration of our request to execute this program. Details of this classified program have been provided separately.

Conclusion

This completes my statement, Mr. Chairman. I would be happy to furnish you such additional information as you may require. In addition, the Budget Officers of the military departments are available to address the specific requirements of their respective areas during this hearing. We will try to be responsive to any questions you may have.

TABLE 1

Department of Defense

Summary of Pay Supplemental Appropriation Requests, FY 1984

($ Thousands)

Appropriation/Activity	Military Pay Increase	Classified Pay Increase	Wage Board Pay Increase	Total
MILITARY PERSONNEL				
Military Personnel, Army	373,200			373,200
Military Personnel, Navy	279,630			279,630
Military Personnel, Marine Corps	85,710			85,710
Military Personnel, Air Force	328,060			328,060
Reserve Personnel, Army	34,280			34,280
Reserve Personnel, Navy	17,700			17,700
Reserve Personnel, Marine Corps	3,400			3,400
Reserve Personnel, Air Force	8,750			8,750
National Guard Personnel, Army	49,860			49,860
National Guard Personnel, Air Force	15,040			15,040
Total Military Personnel	1,195,630			1,195,630
OPERATION & MAINTENANCE				
Operation & Maintenance, Army		129,530	20,000	149,530
Operation & Maintenance, Navy		100,500	85,610	186,110
Operation & Maintenance, Marine Corps		4,405	3,915	8,320
Operation & Maintenance, Air Force		68,000	27,000	95,000
Operation & Maintenance, Defense Agencies		84,899	7,731	92,630
Defense Investigative Service		(2,217)	(1)	(2,218)
Defense Mapping Agency		(6,282)	(1,044)	(7,326)
Defense Nuclear Agency		(623)	(30)	(653)
Intelligence & Communications Activities:				
Defense Communications Agency		(1,359)	(37)	(1,396)
Classified Activities		(38,021)	(1,094)	(39,115)
Defense Logistics Agency		(27,808)	(5,415)	(33,223)
DoD Dependents Education		(1,333)	-	(1,333)
American Forces Information Service		(87)	(13)	(100)
Uniformed Services University of the Health Services		(460)	(28)	(488)

TABLE 1 - Continued

Appropriation/Activity	Military Pay Increase	Classified Pay Increase	Wage Board Pay Increase	Total
OPERATION & MAINTENANCE (Cont'd)				
Civilian Health and Medical Program of the Uniformed Services (CHAMPUS)	(306)		(6)	(312)
Secretary of Defense Activities:				
Office, Secretary of Defense	(1,561)		(1)	(1,562)
Washington Headquarters Service	(601)		(24)	(625)
Defense Legal Services Agency	(63)		-	(63)
Office of Economic Adjustment	(24)		-	(24)
Defense Audiovisual Agency	(175)		(38)	(213)
Office, Joint Chiefs of Staff	(244)		-	(244)
Defense Contract Audit Agency	(2,685)		-	(2,685)
Defense Inspector General	(963)		-	(963)
Medical Information Systems	(87)		-	(87)
Operation & Maintenance, Army Reserve	5,740		1,000	6,740
Operation & Maintenance, Navy Reserve	625		865	1,490
Operation & Maintenance, Marine Corps Reserve	220		-	220
Operation & Maintenance, Air Force Reserve	3,700		2,800	6,500
Operation & Maintenance, Army National Guard	10,950		2,000	12,950
Operation & Maintenance, Air National Guard	6,300		8,400	14,700
National Board for the Promotion of Rifle Practice	10		-	10
Total Operation & Maintenance	414,879		159,321	574,200
FAMILY HOUSING				
Family Housing, Army	1,899		1,341	3,240
Family Housing, Navy	592		1,178	1,770
Family Housing, Air Force	520		460	980
Total Family Housing	3,011		2,979	5,990
Grand Total, DoD Supplemental Request	417,890		162,300	1,775,820

TABLE 2

FY 1985 Defense Budget

FY 1984 PROGRAM SUPPLEMENTAL

SUMMARY

BY APPROPRIATION - BY CATEGORY

(Dollars in Thousands)

	Lebanon	Grenada	Social Security	Health Insurance	Disab Comp.	Total	Total Outlays
MP,A	-	3,400	-	-	-	3,400	3,300
MP,MC	5,500	-	-	-	-	5,500	5,300
S/total	**5,500**	**3,400**	-	-	-	**8,900**	**8,630**
Retired Pay COLA	-	-	-	-	-	**243,000**	**243,000**
O&M,A	-	49,500	7,400	21,400	12,200	90,500	70,590
O&M,N	44,800	11,300	6,000	20,800	33,900	116,800	84,680
O&M,MC	12,100	200	400	1,200	600	14,500	9,960
O&M,AF	600	10,700	3,200	20,200	9,800	44,500	36,050
O&M,DA	-	-	7,800	7,900	4,700	20,400	17,750
O&M,AR	-	-	300	1,000	-	1,300	1,070
O&M,NR	-	200	100	200	-	500	350
O&M,AFR	-	-	1,000	1,600	-	2,600	2,380
O&M,ANG	-	-	700	2,000	1,600	4,300	3,500
O&M,AirNG	-	200	1,400	1,000	-	2,600	2,320
S/total	**57,500**	**72,100**	**28,300**	**77,300**	**62,800**	**298,000**	**228,650**
Total DoD	**63,000**	**75,500**	**28,300**	**77,300**	**62,800**	**549,900**	**480,280**

PREPARED STATEMENT OF BRIG. GEN. MARK J. WORRICK

DEPUTY DIRECTOR OF AIR FORCE BUDGET

Mr Chairman and Members of the Committee:

I am pleased to appear before this committee and present the Fiscal Year 1984 pay and program supplemental requests for the Air Force. In total, our request addresses the January 1, 1984 military and civilian pay raises, changes in social security coverage, increased health insurance and disability compensation costs, and restoration of funds for past operations in Grenada and Lebanon. The request is summarized as follows:

	($ in Millions)
Pay Raises, Military and Civilian	$468.1
Social Security	5.6
Health Insurance Costs	22.8
Disability Compensation	9.8
Grenada Operations	10.9
Lebanon Operations	.6
Total	$517.8

Pay Raises

In the area of pay raises, PL 98-94 granted a pay raise of 4.0% and 3.5%, effective January 1, 1984, to military and civilian personnel respectively. Given this, the Appropriation Conference Report, 98-567, directed that the associated funding increases should be provided through a supplemental appropriation as opposed to inclusion in the initial appropriations act for Fiscal Year 1984. In accordance with this direction our supplemental request for pay raises, by appropriation, is:

	($ in Millions)
Military Personnel, Air Force	$328.1
Reserve Personnel, Air Force	8.8
National Guard Personnel, Air Force	15.0
Operation and Maintenance, Air Force	95.0
Operation and Maintenance, Air Force Reserve	6.5
Operation and Maintenance, Air National Guard	14.7
Total	$468.1

Social Security/Health Insurance Costs

Our request also covers increased social security and health insurance requirements. In the social security area, as of January 1, 1984, new federal employees are required to be fully covered. This contrasts with coverage for existing employees which is limited to the MEDICARE portion. The request of $5.6 million is for the government's portion (50%). Premiums on health insurance plans covering federal employees increased an average of 19.5% effective January 1, 1984. The request of $22.8 million represents that portion of the increase attributable to the government's contribution toward health insurance premiums. Combined, these new/increased entitlements require the following amounts by appropriation:

($ in Millions)

	SOCIAL SECURITY	HEALTH INSURANCE
Operation and Maintenance, Air Force	$3.2	$20.2
O&M, Air Force Reserve	1.0	1.6
O&M, Air National Guard	1.4	1.0
Totals	$5.6	$22.8

Disability Compensation Costs

In PL 98-212, Congress limited DoD's contribution to the federal employees compensation fund because of inaccurate billing procedures from the Department of Labor. These procedures are now improved, and past inaccuracies have been eliminated. As a result, $9.8 million is requested to reimburse, within the Operation and Maintenance appropriation, the Department of Labor for actual claims paid.

Grenada and Lebanon Operations

Within the program supplemental, we are seeking restoration of funds diverted from other congressionally-approved funding for operations in support of Grenada and Lebanon. Air Force activity for the Grenada operation centered around airlift of supplies, personnel and equipment. TDY and transportation of aircrews and other specialized personnel, and support costs for flying hours for air refueling and special assignment airlift missions are the areas in which costs were incurred. $10.9 million is required to provide for airlift support, TDY, and supplies and equipment.

On a smaller scale, there is a requirement of $.6 million for travel of aircrews and flying hour costs in support of the peace-keeping force in Lebanon. The Air Force flew 215 hours in KC-10s to refuel the deploying force. We need 129 hours restored to insure that our critical and limited air refueling force is provided essential readiness training. Again, funds are required to restore resources diverted to this operation that were originally appropriated for normal peace-time levels of activity. The Grenada and Lebanon requirements are summarized by appropriation as follows:

($ in Millions)

	GRENADA OPERATIONS	LEBANON SUPPORT
Operation and Maintenance, Air Force	$10.7	$.6
O&M, Air National Guard	.2	
Totals	$10.9	$.6

That concludes my statement. I will be happy to answer any questions the Committee may have.

BIOGRAPHY
BRIGADIER GENERAL MARK J. WORRICK

Brigadier General Mark J. Worrick is Deputy Director of Budget (Operations), Office of the Comptroller, Headquarters U.S. Air Force, Washington, D.C.

General Worrick was born December 18, 1931, in Bellefonte, Pennsylvania. He received a Bachelor of Arts Degree (Economics) from Arkansas Tech University in 1965, and a Master of Business Administration Degree from George Washington University in 1969. He completed Squadron Officer's School in 1963, the Air Command and Staff College in 1973, the National Security Management Program from the Industrial College of the Armed Forces in 1974, and the Air War College Seminar Program in 1976.

He enlisted in the Air Force and was assigned duty at Erding Air Depot (USAFE) Germany and March AFB (SAC) California from 1951 until 1956. General Worrick was commissioned in September 1956 upon graduation from Officer Candidate School (OCS). He was then assigned duty as Disbursing and Accounting Officer, Wurtsmith AFB (ADC and SAC), Michigan from 1956-1961. In 1961 he became Nonappropriated Funds and Recreation Services Officer at Andersen AB (SAC), Territory of Guam, Marianas Islands. From 1963 through 1966 General Worrick was Chief, Accounting and Finance Division at Little Rock AFB (SAC), Jacksonville, Arkansas and in 1966 he returned to Andersen AB, Guam as Chief Financial Services Division. Upon successful completion of an Air Force Institute of Technology program at George Washington University in August 1969, he was assigned duty at Headquarters USAF as a Budget Staff Officer where he served until May 1974. From July 1974 thru June 1975, he served as Comptroller, U-TAPAO Royal Thai Navy Air Base, Thailand, during the height of the U.S. phasedown activities in Southeast Asia and the Mayaguez rescue incident in May 1975. From July 1975 to August 1977, General Worrick was Comptroller of Field Command, Defense Nuclear Agency, Kirtland AFB, NM where he participated in the Enewetak Atoll radioactive cleanup project. He returned to the Pentagon in September 1977 as Assistant for Budget Plans and Programs and Air Staff Board member on the Program Review Committee. General Worrick was assigned to the position of Deputy Chief of Staff Comptroller, Air Training Command from July 1981 to June 1983. He assumed his present position July 1983.

General Worrick's military awards and decorations include the Legion of Merit; Meritorious Service Medal; The Joint Services Commendation Medal; Air Force Commendation Medal with four oak leaf clusters; Air Force Outstanding Unit Award; Humanitarian Service Medal; Occupation of Germany Medal; and Vietnam Cross of Gallantry with palm leaf device.

He was promoted to the grade of Brigadier General effective February 21, 1984.

General Worrick married the former Evelyn Marlene Fahr of Julian, Pennsylvania. They have four children; Roger, Matthew, Theresa, and Mark J, II. Bellefonte, Pennsylvania is his home town.

REQUEST FOR OPERATIONS IN LEBANON

Senator STEVENS. Do the rest of you, gentlemen, have any statement to make?

General WORRICK. No, Mr. Chairman.

Senator STEVENS. Now that we have withdrawn from Lebanon, and our naval presence has decreased, will there be any change in the request for those operations?

Mr. HESSLER. We have taken another look at the funds we requested for that program, sir, and we think that there may be some minor adjustments that we could make. I will ask Captain Loftus to address that, if he would.

Captain LOFTUS. Mr. Chairman, I think that our Marines having been pulled off of Lebanon will not change the operations offshore that much with respect to steaming and flight hours.

We submitted a request for $15.5 million for the incremental costs in 1984, that figure was predicated on our projections for 1984. However, we have the first quarter actual costs and they are slightly over $7 million.

We expect that that level will not be sustained throughout 1984, but we cannot at this point tell you how much it will come down. It would appear that the requirements would be slightly more than $15.5 million, but perhaps not an extrapolation of $7 million across the board.

Senator STEVENS. You have $34.9 million for O&M for ship and aircraft operations off of Lebanon, and that is less than 1 percent of the total funding for flying and steaming hours. Why can't those be absorbed on a net basis? Those planes would have been flying, and those ships would have been steaming, to a certain extent anyway. Have these costs been netted out?

Captain LOFTUS. Yes, sir. These are incremental costs, and essentially the absorption would require us to borrow against third and fourth quarter flying commitments.

OPERATION IN LEBANON AND GRENADA

Senator STEVENS. You had units in both Grenada and Lebanon that would have been training anyway. It would seem that in view of the fact that both of those operations are terminated, aren't those units now going to go on leave and have changes in their operating schedule?

Captain LOFTUS. No, sir. The units that are going to be on station are going to maintain pretty much the same tempo of operations and therein lies the problem. It is not a question of reducing operations. The tempo off of Lebanon as well as the tempo at Grenada, which was totally incremental, was a much higher level than you would normally sustain during a regular deployment. We expect that the tempo will remain at pretty much that level.

Senator STEVENS. Are you telling us that these have been totally netted out. You have $7 million for airlift flying hours to support Grenada. Those aircraft would have been flying anyway, their crews would have been flying.

Captain LOFTUS. The Grenada operation was a diversion from a carrier group that was headed toward the Mediterranean, and

during that period of time their operations would have been very light under normal circumstances.

It would have been an economic and efficient transit to the Mediterranean area, therefore, almost all of the costs associated with Grenada are incremental in the sense that the action involved a very high level of operations which normally would not have occurred. Those additional steaming and flight hours are not required in a normal transit.

COSTS INVOLVING GRENADA OPERATION

Senator STEVENS. We would like to have you tell us what would have been the request if you had asked us for money to cover all of the operation, including lost equipment, expended ordnance, and so forth. It seems to us that that is what we have here anyway.

Mr. HESSLER. We can supply that, Mr. Chairman.

[The information follows:]

COST OF GRENADA OPERATION

ARMY. The Army has identified $74.9 million as the costs of the Grenada operations. DOD has included $52.9 million of this amount in the fiscal year 1984 Supplemental Request. The $22 million increment between these amounts includes the estimated $15.8 million procurement cost for aircraft spare and replacement parts, aircraft battle damage, missiles and component parts, ammunitions expended, and combat vehicle items. A DOD management decision was made to seek recoupment only for operational costs and to absorb procurement costs. The remaining $6.2 million costs to be absorbed results from an underestimate of the air, sealift, and support costs of the residual U.S. force on Grenada. This represents a 29.4-percent absorption by the Army of the total cost of the Grenada operation.

NAVY. The fiscal year 1984 Supplemental Request include $11.7 million for Grenada operations. Major incremental costs not included in the Supplemental Request are the procurement costs to replace ordnance expended and aircraft lost in the operations. The incremental costs are as follows:

GRENADA

	Millions
APN	$32.3
WPN	0.4
SCN	0.2
OPN	1.5
PMC	0.7
Total	35.10

This would increase the Navy portion of the supplemental by $35.1 million.

AIR FORCE. The total Operation and Maintenance Air Force cost of Grenada was $12.7 million. The $2 million not requested represents approximately 40 percent of non-ASIF flying hours expended in support of the operation. This saving was possible since 700 of the 1,700 flying hours used, provided air crew training.

ABSORPTION OF PAY RAISE COSTS

Senator. STEVENS. You have been asked in the past years to absorb a portion of the pay raise costs in O&M and military personnel operations appropriations, but we note that you haven't absorbed anything this year. Why is that the case?

Mr. HESSLER. In the military personnel account, sir, we have looked at that when we put the budget together, and we felt that in the past years we have not achieved the end-strength that we had originally planned some were able to absorb portions of the supplemental. This year, recuriting had been such that we have

been able to maintain the strength that we anticipated, and we don't anticipate any savings in that account or ability to absorb in the military personnel account.

In the operations and maintenance account, we did take a look at those when we submitted the supplemental last October, and we, in that account, have absorbed about 10 percent. We felt that any further absorption within the O&M account would affect our readiness.

SAVINGS IN INFLATION

Senator STEVENS. Are you having any savings such as in inflation? Isn't inflation staying down lower than we anticipated as far as the 1984 bill is concerned?

Mr. HESSLER. Not that we can identify to date, sir, but we will be glad to take a look that and supply it for the record.

[The information follows:]

SAVINGS FROM LOWER INFLATION

Inflation in the subsistence area has been greater than anticipated. The fiscal year 1984 column of the fiscal year 1985 budget provides 4.3 percent inflation for subsistence-in-kind. Between October 1983 and April 1984 food costs increased by about 10 percent. In the permanent change of station (PCS) travel program, we have not experienced inflation in the international through government bill of lading (ITGBL) area. However, ICC rates for land movements are estimated to increase by 10 percent, effective May 1, 1984. We anticipate those added costs will offset the ITGBL savings.

COST INCREASES IN MILITARY RETENTION

Senator STEVENS. Have you had any unanticipated cost increases in terms of the budget for military retention, or anything else that we don't know about?

Mr. HESSLER. Let me ask Mr. Conte to address that.

Mr. CONTE. Right now, we only have first quarter data, and it is really too early to tell where we are going to come out. There are some trends that indicate that we might very well come up short. Retention is improving in a couple of the services, and the man-years are running ahead of schedule of our monthly plan. Our food rates are coming in a little higher than on the average, and we might end up being short of funds in our subsistence-in-kind. We are looking at that data, but we are not in a position right now to be able to predict that we will in fact be short of money.

With respect to the question on inflation, if I could go back to that. Yes, there have been some inflation decreases in the ITGBL area. On the other hand, there have been some inflation increases that we did not anticipate in the ICC area. So on balance, I think it nets out. However, the inflation savings in the ITGBL area have been reflected in the overall PCS budget request.

BONUS PAYMENTS

Senator STEVENS. What about your bonus payments, aren't they lower, with the higher retention figures?

Mr. CONTE. Bonus payments are running about what we projected last year. We are looking at that. There is a possibility that we

might, in fact, need more bonus payments if the economy continues to improve. We will have to look at that as the year progresses.

Senator STEVENS. We put out about $2 billion or more last year for the permanent change of station travel, and we wanted to hold those moves to the 1983 level. Is the program in 1984 exceeding the 1983 level?

Mr. CONTE. It is exceeding the 1983 actual. However, the program that we submitted last year in the 1984 budget was reduced by the Congress, and our 1984 level is even lower than what the Congress appropriated to us last year. The Congress placed a funding ceiling of $2 billion—I have that number here—$2.585 billion and our fiscal year 1985 program is $71 million lower than that.

Senator STEVENS. You are looking at this from the point of view that we kept the dollars, but we didn't care how many moves took place. Is that right?

Mr. CONTE. That was our interpretation, Mr. Chairman, yes. We didn't see anywhere in the language that the intent would be to actually restrict the movements, but to place a ceiling on the dollars that were expended. We did structure our PCS program to stay within those dollars that were appropriated.

PCS SAVINGS

Senator STEVENS. We indicated that it was our intention to try to extend the period of assignment and to hold the PCS at the 1983 level. You had some savings, didn't you, as far as inflation is concerned in this program, too?

Mr. CONTE. Yes; there were some savings in the ITGBL area. As I mentioned, they have been reflected in the budget request. In fact, if I cite some numbers, it might help clarify. In the ITGBL, the international government bill of lading area, our fiscal year 1984 request last year for that area amounted to $590 million. Our request in the fiscal year 1984 column of the fiscal year 1985 budget is down to $445 million, and that is a decrease of $145 million. $80 million of that decrease is because of the lower inflation, therefore our request in fiscal year 1984, this year, does reflect the inflation savings that we are anticipating and that we have experienced.

Senator STEVENS. But the action we took did not decrease the number of moves. It has actually increased the number of moves.

Mr. CONTE. We did decrease the number of moves, Mr. Chairman. Our request in fiscal year 1984, our current request for 1984——

Senator STEVENS. I mean from the 1983 level.

Mr. CONTE. It decreased from the original 1983 request.

Senator STEVENS. We had the actual 1983 at the time. Aren't you above the actual 1983 level?

Mr. CONTE. We are, from the actual 1983 level, yes, sir, but we are below the level you were looking at last year.

Senator STEVENS. If the number of moves had been held to the 1983 level, there would not be the necessity for a portion of this supplemental, would there?

Mr. CONTE. If they were held to the 1983 actual. However, we have had strength increases, and changes in our positioning of

forces, which does require changes in the move program, I don't think we can really look at the program from the standpoint of putting a cap on the number of moves. It has to be based on the total force positioning. We tried to live, and in fact we did live, within the funding limitations.

EXTENDING DUTY ASSIGNMENTS

Senator STEVENS. We talked of the policy level about stretching out some of those assignments so we would reduce those moves and the amount of money that is being spent on moves. I thought that there was an inclination to try and extend the duty assignments, so that there would be a decrease in moves overall.

Mr. CONTE. We have done some of that, sir.

Senator STEVENS. It doesn't make much sense to cut out F-18's and ships, and cut out new guns and personnel carriers, and to have the people in the service moving more frequently. There is at least $200 million here that would not have to be cut out of procurement if the Department had followed the request of the committees.

Mr. CONTE. I am not sure, Senator, that we are moving more frequently. I indicated that we did reduce the number of moves in fiscal year 1984, some 49,000 moves from what we originally projected.

Senator STEVENS. That is from planning; that wasn't from actual moves. I just don't see how you can look at it and say Congress didn't mean what we actually did; Congress meant what we requested for 1983. Again, I think we are going to have to get together here between the policy level and the people who spend the money for moves.

There is no question that if you keep up the level of moves, we are going to have to cut more out of procurement with the budget ceilings we have. So I hope that you report back that, as far as this committee is concerned, we intended to hold the number of moves to the 1983 level. If we keep increasing moves, we will be able to afford fewer people.

Mr. CONTE. Yes, sir, you have a good point. There has been a PCS study conducted within the Department of Defense, and there are a number of items that they are looking at. They have proposed and recommended some of the same changes that you suggested; that is, to change the policy and to restructure the entire program so that the number of moves would be less than what we are projecting now.

AIR FORCE END-STRENGTH INCREASE

Senator STEVENS. You had an end-strength increase in the Air Force for this 1984 period of 2,000 personnel, but we have a man-year increase by 6,700. Can you explain that? I am told that the same thing exists in the Army account, that there is an overstatement in terms of man-years. How does that happen?

General WORRICK. Is that military or civilian personnel?

Senator STEVENS. In the military.

Colonel HARMON. I am Colonel Harmon.

In the military personnel account, we were estimating last year that we would have an end-strength buildup in fiscal 1984 of 20,100. So during the course of the years, all of our plans, our recruiting, or accession goals, and our training pipline, and everything were predicated on a 20,000 end-strength build. About September 23 or 24 last year, the authorization committees announced that we were only going to build 2,000.

Senator STEVENS. Wait a minute, Colonel. We had notice when that bill went to conferences as early as the end of July, you all knew what was in that bill as it went to conference.

Colonel HARMON. I don't think at that time it was felt by the Service that we would only get 2,000 out of a 20,000 request. To proceed on, we had already set up our status goals for the accessions. In order to meet the authorized and end-strength for 1983, which was an alltime high retention year, we had to borrow some people and voluntarily separate some people in 1983 who would have separated in 1984. We had a delayed enlistment program—DEP—whereby we go out to seek people 12 months in advance, and we have 25,000 to 30,000 in that category. In order to honor these commitments and bring these qualified people in the schools that we wanted, we brought them in at the agreed levels, and we are fully utilizing our training classroom facilities. We reduced the man-years by about 7,000.

END-STRENGTH COMPLIANCE

Senator STEVENS. Tell me this is your end-strength by the end of 1984 going to comply with both the authorization and appropriations bills?

Colonel HARMON. Yes, sir.

Senator STEVENS. Are you once again going to put some of your end-strength in the pipeline so that they won't count?

Colonel HARMON. It is not so they don't count.

Senator STEVENS. It is like the Navy putting them on ships in the Mediterranean so that they don't count in central Europe.

Colonel HARMON. Personnel molded in the DEP do not become members of the Armed Forces until they actually enter into the service. Once they are sworn in, they are counted in the end-strength. Between 1984 and 1985, we have requested end-strength build of 15,700 in the military. If that end-strength is determined very soon, we can cut down our accession program, and we won't take that many people in the delayed enlistment program. But the further out we get in the year, if the decision is not made until July, we have already gone out and recruited those people, and we already have that commitment in the delayed enlistment program.

Senator STEVENS. All right. We will take another look at it in the regular bill, I guess.

DISABILITY COMPENSATION FUND

I understand that you believe that the restriction on the disability compensation fund, in terms of the amount that can be reimbursed to the Department of Labor for compensation payments is too great.

Mr. DUBE. My name is Paul Dube, and I am in the Comptroller's Office.

For several years, of course, our payments to Labor have been capped and we have been reimbursing Labor somewhat less than the amounts they have actually paid out on behalf of four people.

Several changes have occurred in their system for forecasting their appropriation requirements to their trust funds. We reach a point in 1984 where, if we don't pay the full amount that DOL has billed us, which are payments that they have actually made in prior years of behalf of our people, their fund will be in trouble sometime is September and there won't be enough money to make the disability compensation payment to our people.

Senator STEVENS. Do you validate their payment concepts?

Mr. DUBE. We are really not in a position to validate them in that sense. They, of course, have gotten OMB support, and they have satisfied OMB that their system is adequate and their billing process is adequate.

Senator STEVENS. This is not an increase. It is a payment for past payments out of their funds, is that right?

Mr. DUBE. That is right. For fiscal year 1984, we paid labor for the payments they made to our people for a period in fiscal year 1982. Those payments were already made and have been paid out of their fund. We need to reimburse their fund.

MILITARY RETIRED PAY COST-OF-LIVING ADJUSTMENT

Senator STEVENS. I see a request of $243 million for military retired pay cost-of-living adjustment to occur on May 1. It was my understanding that the Administration sought a freeze of that payment.

Mr. HESSLER. That is correct.

Senator STEVENS. How do we have a freeze to one committee, and a request for appropriations to the other?

Mr. HESSLER. Included in our fiscal year 1985 budget request is a request to delay that increase until the following January. But in accordance with OMB budgetary regulations, the current law provides for implementation of that in May of this year, so we submitted our supplemental for that amount. If that is delayed until next January, we don't need the $243 million.

FOREIGN SALES OF TOWED-ARRAY SONAR

Senator STEVENS. Lastly, do we have a request to repeal the restriction on foreign sales of the towed-array sonar; is that here?

Mr. HESSLER. No, not in this request that I am aware, Mr. Chairman.

Senator STEVENS. Is it coming as part of this supplemental?

Mr. HESSLER. I will have to supply that. I am not familiar with that, sir.

Senator STEVENS. All right. Does the Navy have any knowledge of that?

Captain LOFTUS. Mr. Chairman, I am not sure whether it is going to be part of the supplemental or not. It was not submitted as such, and I will have to provide that for the record.

[The information follows:]

AN/SQR-19 TOWED ARRAY SONAR

The Secretary of Defense has not proposed language to repeal the restrictions imposed on foreign military sales of the AN/SQR-19 Towed Array Sonar as a part of the FY 1984 Supplemental Request. However, he does support repeal of this restrictive language and plans to solicit Congressional support for its repeal or modification in connection with deliberations on the FY 1984 Supplemental Appropriations Request.

SUBMITTED QUESTIONS

Senator STEVENS. All right, gentlemen, I think these are the questions we have on this.

[The following questions were not asked at the hearing, but were submitted to the Department for response subsequent to the hearing:]

ADDITIONAL COMMITTEE QUESTIONS

GRENADA AND LEBANON OPERATIONS

QUESTION: How has the revised deployment strategy affected the cost estimate?

ANSWER: At this time there are no offsets to cost estimates requested for the O&M appropriations as a result of the revised deployment strategy. The supplemental was developed on the basis of one aircraft carrier deployed off the Coast of Lebanon rather than two. Consequently, we have experienced higher ship operating costs including an increased level of aircraft sorties as compared to our initial estimates. The full amount of the request will be required continue to operate our naval forces off the coast of Lebanon. It does appear that estimates included in the Military Personnel, Marine Corps appropriation can be reduced by $2.7 million. This reflects reduced cost estimates for troop rations ($2.1 million) and hostile fire pay ($.6 millin).

QUESTION While the funding request covers Lebanon and Grenada operations, the Department has already been covering the cost of these activities since the beginning of the fiscal year. Isn't the impact of this activity mostly dirercted at the non-deployed U.S. based units?

ANSWER: Yes, we have been covering the cost of these activities by using resources within the various appropriations which were approved for other programmatic activities. The accomplishment or deferral of these other activities, later in the year, is dependent upon the level of funds approved in the supplemental.

QUESTION: Units which have participated in Grenada and Lebanon operations would have incurred training expenses, already funded in the FY 1984 regular appropriations bill. Doesn't the training cost avoidance discount the incremental Cost of Lebanon and Grenada operations?

ANSWER: The supplement represents the incremental costs associated with the Grenada and Lebanon operation over and above funding levels approved in the FY 1984 Defense appropriations bill to conduct peacetime training tempo.

FLYING HOURS IN SUPPORT OF GRENADA OPERATION

QUESTION: The Air Force is requesting $7 million for airlift flying hours in support of the Grenada operation. Wouldn't these hours have been incurred through the FY 1984 funded training program?

ANSWER: Not entirely, the Military Airlift Command (MAC) and the Strategic Air Command (SAC) were able to accomplish some events that could be credited to required training on some aircraft (AC/MC/C-130, KC-10/135, etc.) during Grenada operations. Based on the number of training events accomplished per flying hour MAC and SAC are absorbing 40% of these Grenada operation flying hours. The request for $2.3 million is to fund aviation fuel and supplies for the remaining 60% of these hours that would not have been incurred through the FY 84 funded training program.

Another $4.9 million is requested to reimburse the Airlift Services Industrial Fund (ASIF) for MAC special assignment airlift missions (SAAMs) flown in support of the Grenada operation by C-5, C-141 and C-130 aircraft. These aircraft flew routine deployment and resupply missions.

GRENADA AND LEBANON OPERATIONS

QUESTION: Captain Loftus, how much would your proposed FY 1984 supplemental have to be increased to cover all of the Lebanon and Grenadian operations to cover the cost of lost equipment and expended ordnance?

ANSWER: The FY 1984 supplemental request includes $62.4 million for Lebanon operations and $11.7 million for Grenada operations. Major incremental costs not included in the supplemental request are the procurement costs to replace ordnance expended and aircraft lost in the operations. The incremental costs are as follows:

($ Millions)

	Lebanon	Grenada
APN	$42.7M	$32.3M
WPN		0.4M
SCN		0.2M
OPN		1.5M
PMC	3.3M	0.7M
	$46.0M	$35.10M

This would increase the Navy portion of the supplemental by $81.1 million, with the split as shown above between the costs shown for the two operations.

QUESTION: What would be the impact if the supplemental request were denied?

ANSWER: The operational funds requested in the supplemental represent real-time obligations that have been incurred in these operations. They cannot be accomodated within existing operating budgets. Funds needed to support Lebanon and Grenada operations have been borrowed from third and fourth quarter funds budgeted for steaming and flying. If Congress does not approve the supplemental request, third and fourth quarter steaming and flying will not be accomplished at the originally appropriated level.

PAY RAISE ABSORPTION

QUESTION: Are the early execution data for 1984 showing any unanticipated savings in such areas as inflation?

ANSWER: No. Our estimate for inflation during FY 1984 is 4.3 percent. Subsistence-in-kind expenses between October 1983 and April 1984, however, have already increased by about 10 percent. In the permanent change of station travel program we have not experienced rate increases for the international through government bill of lading (ITGBL) area but we expect that ICC (land movement) rates will increase by 10 percent on May 1, 1984. Overall we expect that PCS will balance out.

QUESTION: Are you experiencing any unanticipated cost increases such as were experienced in 1983 for military retention?

ANSWER: Experience to date indicates no unanticipated cost increases, other than for subsistence.

MILITARY PERSONNEL PERMANENT CHANGE OF STATION TRAVEL

QUESTION: I understand that the request for military household goods transportation in fiscal year 1984 was based on increased inflation that did not materialize. What were the savings associated with this change?

ANSWER: It is true that the ITGBL rates did not increase as anticipated, however, the ICC rates are expected to increase by 10 percent on May 1, 1984. We expect that the lack of an increase in ITGBL will be offset by ICC increases and that no overall savings will materialize.

QUESTION: Are there any other estimated savings within the military personnel and operations and maintenance appropriations based on changed inflation assumptions?

ANSWER: Not that we know of at this time.

MILITARY MANYEARS

QUESTION: It is my understanding that the Army's manyear requirement for 1984 is overstated. What savings are available within the appropriated amount?

ANSWER: The FY 1984 manyears are not overstated and there are no savings available in the Military Personnel, Army Appropriation. The FY 1984 manyears are currently estimated to be about 805 higher than end strength because there are eight months in FY 1984 where the month end strength exceeds the end of September strength of 780,000. This is caused by the flow of available accessions and the pattern of losses from the Army. Thus, the average strength (manyears) exceeds the end strength.

DISABILITY COMPENSATION FUND

QUESTION: In addition to repeal of Section 731, the supplemental request includes an aditional $62.8 million to cover the Department of Labor's estimate of 1984 injury compensation costs for DoD federal personel. This would increase the FY 1984 funding level to $288.2 million, over 32 percent above the FY 1983 appropriated level. Is there a corresponding increase in the injury rate of DoD personnel?

ANSWER: No, for the payment period corresponding to the FY 1983 and FY 1984 appropriations there was a 3.7% increase in the number of Department of Defense disability claimants. The FY 1984 disability funding for the Department, including the supplemental, corresponds to actual FY 1982 disability

compensation payments. The FY 1983 appropriated level corresponds to FY 1981 actual disability payments, as capped by Congress. Without the congressional caps, there is about a 12% increase between the FY 1983 and FY 1984 bills. Included in this amount are medical costs which have been reflecting high price increases on the order of 15% for that period.

QUESTION: Mr. Hessler, your statement asserts that DOL has made management improvements to the billing procedures for disability compensation. Please discuss the specific improvements which convinced you that the requested increase is necessary.

ANSWER: The Office of Management and Budget informed the Department that the Department of Labor's billing procedures have improved. Additionally, Labor now provides the Services and Defense Agencies with lists of claimants to use in verifying the disability bills.

QUESTION: Have the military services validated the recipient data forwarded by the Labor Department? If so, does the data validation support the increase of $62.8 million?

ANSWER: The $62.8 million increase was validated by the Office of Management and Budget. Data provided by Labor on the claimants were validated by the Services.

AN/SQR-19 TOWED ARRAY SONAR RESTRICTIVE PROVISION

Question: Last year Congress restricted the foreign sales of the AN/SQR-19 Towed Array Sonar. I understand there may be a repeal proposal. What are your recommendations concerning that prohibition and why?

Answer: The Navy's current position with respect to foreign sales of the SQR-19 is to reaffirm our position to sell the SQR-19 to Canada and Spain.

The sale of this system to either country will not impact delivery to the U.S. Navy. The Navy will have 14 systems deployed before the first Spanish system goes to sea. By the time the second and third Spanish systems are at sea, we will have deployed 52 systems. The deployment of the Canadian systems will be at an even later date.

AIR AND SPACE BICENTENNIAL

QUESTION: Congress agreed to conference report language to accompany the fiscal year 1984 defense appropriations bill which directed the expenditure of $250,000 for activities of the Air and Space USA bicentennial events. Has this transfer of funds occurred?

ANSWER: The transfer is in the process of being accomplished by using Air Force funds available for emergency and extraordinary expenses within the Operation and Maintenace appropriation.

QUESTION: Is a legislative provision rquired in the supplemental bill to accommodate this transfer of funds?

ANSWER: Yes, since the Air Force has used a portion of

their emergency and extraordinary expense limitation to accomplish the transfer, their limitation should be increased to permit execution of the previously approved program. An increase of $250,000 from $4,770,000 to $5,020,000 in this limitation is required.

Warranties

Question: Your original supplemental request sought the repeal of Section 794 of last year's DoD appropriation bill on warranties. Your statement did not mention that request. Does the Department still seek repeal of Section 794, and if so, provide your rational for the record.

Answer: The Department of Defense has always been in favor of warranties in our strategies for weapons systems. We believe that warranty coverage must be tailored to the character of the product, and in this regard, we are working with the Congress to make some changes to the law which would allow the Department the flexibility to use warranties in those cases where they are cost effective. We, like the Congress, are committed to obtaining the best, most reliable weapons systems for the defense of our country at the lowest cost to the taxpayers.

SUBCOMMITTEE RECESS

We will have another hearing tomorrow afternoon on Grenada with outside witnesses tomorrow afternoon at 2 p.m.

Thank you very much for your courtesy.

[Whereupon, at 10:40 a.m., Wednesday, March 21, the subcommittee was recessed, to reconvene Thursday, March 22 at 2 p.m.]

SUPPLEMENTAL APPROPRIATIONS SUPPORTING U.S. MILITARY ACTIONS IN AND AROUND GRENADA

THURSDAY, MARCH 22, 1984

U.S. SENATE,
SUBCOMMITTEE OF THE COMMITTEE ON APPROPRIATIONS,
Washington, D.C.

The subcommittee met at 2:05 p.m., in room SD–192, Dirksen Senate Office Building, Hon. Ted Stevens (chairman) presiding.

Present: Senators Stevens, McClure, and Rudman.

NONDEPARTMENTAL WITNESSES

REPRESENTATIVES FROM CARIBBEAN NATIONS

OPENING STATEMENT OF SENATOR STEVENS

Senator STEVENS. Good afternoon. This is the time to hear additional statements in connection with supplemental appropriations in support of U.S. military action in and around the island of Grenada.

We are privileged to have with us today three representatives from the Caribbean region who have been asked to express their views on the U.S. military intervention in Grenada and to assess the impact of that action not only on Grenada but on the neighboring island states in the Caribbean.

We will hear first from Prime Minister Eugenia Charles of the Commonwealth of Dominica, who chairs the Organization of Eastern Caribbean States. Then we will hear from Allister Hughes, a Grenadian journalist, and Lloyd Noel, a former attorney general of Grenada. Both of these gentlemen, I understand, were imprisoned by the New Jewel government prior to U.S. intervention.

INTRODUCTION OF SENATOR M'CLURE

This hearing was called at the suggestion of Senator McClure of Idaho. He was instrumental in arranging this session, and we have asked him to chair the proceedings. I must remain on the Senate floor concerning a supplemental appropriation that involves Central America.

I can only say that I regret that I will not be able to stay and hear you. As I told you, I did have the privilege and honor of visiting your delightful country, and I hope that the day will come when I will be able to return to it.

Thank you very much.

INTRODUCTORY REMARKS OF SENATOR M'CLURE

Senator McCLURE. Thank you very much, Senator Stevens. I very much appreciate your support in scheduling these hearings.

I want to add my word of welcome to our distinguished guests and witnesses this afternoon.

Prime Minister Charles, we particularly welcome you to this committee, and we do look forward to what you can tell us. You are one of the boldest, most articulate and brilliant political leaders in the world today, and I think that the public reactions to your statements have underscored that fact. The respect with which you are viewed, and the esteem with which you are held in this country has been noted many, many times.

I also want to underscore what Senator Stevens has said about our other witnesses. Mr. Hughes was imprisoned for 8 days just before the Grenada rescue operation on October 25, 1983, and Mr. Noel was imprisoned for over 2 years by the New Jewel Movement of Grenada. We also look forward to your testimony. I think you both have a particular right and basis upon which to make your observations about what happened in your own country and why.

EXAMINATION OF GRENADA OPERATION

The purpose of the hearing is to examine the October 25 to December 12, 1983, Grenada rescue operation. This allied operation successfully restored democracy, freedom, and human rights to the island nation of Grenada, with minimal loss of life, casualties, and property damage. We are here to examine that highly effective operation, which the Defense Department has reported cost about $75.5 million in operations and maintenance funds, not including lost and damaged equipment.

PAUSE IN TRIBUTE TO U.S. SERVICEMEN

Before we proceed any further, however, I think we should pay tribute to the 18 American servicemen who sacrificed their lives and the 116 American troops who were wounded in this action to restore democracy to Grenada.

[Pause.]

TEN SUBJECTS OF INTEREST ON GRENADAS OPERATION

Senator McCLURE. Ladies and gentlemen, before we proceed to the questions, I hope our witnesses can focus their remarks upon 10 broad subjects of interest to the subcommittee.

One, what was the immediate situation in Grenada after the October 19, 1983, massacre resulting from the New Jewel Government of Grenada's dissolution into internicine warfare? How threatening was the curfew enforced by the order to shoot civilians on sight?

Two, what was the danger to Grenadian civilians and to the American medical students?

Three, what do we now know of Soviet and Cuban intentions for Grenada, and about the military capabilities they were emplacing on the island?

Four, how do the Grenadian people and the people of the Caribbean nations feel about the rescue operation?

Five, when will democracy be fully restored to Grenada?

Six, how can the United States best assist Grenada and the Caribbean nations to restore security and democracy in Grenada and to improve prosperity in the region?

Seven, should the United States make available some funds for compassionate humanitarian relief to Grenada in order to repair damages to property caused by military action?

Eight, what is the nature of the continued Soviet-Cuban security threat to the Caribbean and Central American area?

Nine, what are the implications of the Grenada rescue operation for U.S. security and economic assistance programs in Central America?

Ten, what are the lessons of Grenada for U.S. efforts to support the Government of El Salvador?

INTRODUCTION OF WITNESSES

Before proceeding to the questions, might I ask if Senator Rudman has any questions or comments he would like to make at this time?

Senator RUDMAN. Thank you, Mr. Chairman. I am looking forward to hearing from our witnesses.

Senator MCCLURE. Thank you very much.

Senator Kasten?

Senator KASTEN. Thank you, Mr. Chairman.

Senator MCCLURE. Prime Minister Charles, we do welcome you. If you would be our leadoff witness, we would be honored.

ORGANIZATION OF EASTERN CARIBBEAN STATES

STATEMENT OF EUGENIA CHARLES, PRIME MINISTER OF DOMINICA, AND CHAIRMAN OF THE ORGANIZATION OF EASTERN CARIBBEAN STATES

POSITION ON GRENADA

Prime Minister CHARLES. I hope, Mr. Chairman, to give a very brief background of the things that happened before the 19th of October 1983, so we understand the situation in the minds of the people in the other islands.

Under the Geary regime, things happened which caused the Bishop regime to come into being. I remember the time when the revolution took place on March 13, 1979, that my political party and my island expressed the view that it was unfortunate that the Caribbean was exposed to that sort of imposition of government, but that we understood that the Grenadians had said enough is enough. But that we looked forward to elections at a very early date, so the Grenadians themselves could have a right to endorse what government they wanted in their country. I must say that we have not changed from that position.

It is true that the Caribbean governments on the whole reacted unfavorably to the revolution, and this is something that they had to live with. In the regional organizations, our relationship with Grenada went on very well on practical matters, although the press may not have picked up the fact that almost every meeting there was a complaint, a quarrel, a persuasion to try to get the

Grenadian Government to understand that human rights are important in our region. We had in reply diatribes on how much more important socialism was then human rights.

MEMORANDUM OF UNDERSTANDING AMONG SMALL ISLANDS

When some of us in November 1982 entered into an informal memorandum of understanding for security purposes, this was in the small islands, the OECS islands and Barbados, Grenada was not invited to take part. We did not consider that our security ran along the same lanes as that of Grenada. We certainly, as the OECS countries, had a treaty, in which Grenada took part, in which we agreed that we should help each other if possible to prevent other people from taking over our countries.

The important thing is that we not think of taking over only in the military sense, but taking over in the ideological sense, which is something which was much more hated by us than anything else.

Although we were not happy with what was happening in Grenada, we were not going to interfere. While the Grenadians were prepared to accept and like Bishop, it was clear to us on the outside that most Grenadians did not accept the socialist ideas, but they had lived through such another trauma that they were living through this one perhaps more easily.

SOCIALISM IN SMALL ISLANDS

The elections that took place in the other islands between 1979 and 1980 indicated that the Communist ideas, the socialist ideas were not acceptable in the other islands. We knew that Coards had written a paper at sometime about that time which indicated that there were steps to be taken in which you bring socialism into the other countries. The third and fourth steps—the third one was to attempt to do it through elections, and if that failed, then it should be done by force. We felt that this was a threat to us, since all of us in our elections had in fact rejected the Communist idea of running countries.

In 1981 and 1982, we began to be very upset by the information we were getting that there was an arms buildup in Grenada. I have had a lot of questions asked of me on how do I know. I have said repeatedly and I say again that we don't have a CIA, we don't have an FBI, and we don't have an MI–5 in our islands. We don't have that capacity. But we are small countries, and all of us are interrelated, and the information is brought to bear.

When you are in as responsible a position as I am, you don't listen to the first bit of information you get, but when you have three or four people giving you the same information, and when persons are afraid to speak to you in the room with other people, who would prefer, in fact, if you went out to the sea to tell you the facts, you begin to place much more stress on what is being told to you.

ARMS BUILDUP IN GRENADA

It was obvious to us that there was an arms buildup in Grenada far in excess of anything that would be required for the Grenadian Government to keep Grenadians within the tight and narrow path that they had set forth. We could only realize that this buildup of arms was meant to be used against all of our islands. We felt that we have a right to look after our islands. So we were cautious of what was happening in Grenada.

On October 16, after they had put Maurice Bishop under house arrest, it was obvious to us that Grenadians were not happy about what was happening. They were showing that they did not like the new things that were happening. We heard from reliable press reports that the persons were saying that "C" was for Coards, and "C" was for communism, showing that they were rejecting that point of view, and that they were not happy with what began to happen in their country.

Certainly no one who lives in the region, certainly not even America who had citizens there, none of the countries that had citizens there would be happy with what happened on October 19, because it was obvious that it was a free-for-all, and anybody who came within the range of a gun would have been shot. They had the curfew in which persons were warned not to go out or else they would be shot on sight. This was a frightful thing to us.

Some have asked: Was it serious, or was it just a threat, a joking threat?

I know, and I am sure that the others who will be giving evidence know much more than I do about it, but I know of one person who died a natural death and was buried in the yard of their house because there was no means of going outside to bury this person.

There were persons who had animals that they were looking after, cattle and small stock, and they could not go change—We use the phrase at home, "change animals," that means taking them somewhere else where they could graze. So the persons in Grenada took that threat very seriously, and I think that they had every reason to because of what had happened on October 19. It was obvious that the persons there had no compunction and they would, in fact, carry out this threat that they had made.

POSITION OF U.S. CITIZENS IN GRENADA

Some people have said that the American citizens were quite safe. Mr. Austin had said that he wouldn't take any action against them. I met one person who spoke to us, and he said that it was obvious that Austin was not in charge of himself, far less in charge of the country, and one couldn't rely on his word as a result.

All of this information was given to us, and when we met in Barbados on October 21, that is all of the OECS countries, we decided, and it didn't take us more than half an hour to decide, that intervention was necessary. All of these facts had been talked about and brought to mind. We invited Barbados to come and talk to us at this meeting, because it does not belong to the OECS countries, and we agreed that we should go in.

At that time, we had the information that Sir Paul Scoon, who was the only legitimate person—remember that these people, Austin and Coards—Coards had supposedly resigned and Austin had not declared himself to be a government. In fact, he stated quite clearly that within 2 weeks they would then name a government.

So this is a country without a government, with the absence of everything, except for the fact that there was a Governor General, the only person with any authority in the country. From him, we got the message through diplomatic channels that he wanted us to do something. He didn't relate to us step by step what we should do, but he certainly wanted us to intervene and do something.

REQUEST FOR INTERVENTION

So we decided that we had to intervene. Then we sat down and talked among ourselves and realized that we did not have the capacity to intervene. What could we muster up? Three hundred men, some policemen, some soldiers. If we had tried to go into Grenada with that, those men would never have seen the white sand, they would have been depleted in no time at all. So it was obvious to us that we had to get other assistance.

On Friday night, we spoke to Jamaica. The Prime Minister was passing through and we took him off of the plane so we could talk to him. We also spoke with the U.S. Ambassador in Barbados and told him that we would want U.S. support, this was just verbally. Could he find out for us what the reaction would be on this?

On the following morning, we drafted a letter to go to Barbados, Jamaica, and the United States. We also traveled to Trinidad, and we spoke there to other CARICOM countries. We queried them as to their stand if we were to intervene. We did not get the support of the larger countries. On the Sunday, we returned to Barbados and we sent the definite invitation in writing to Barbados, Jamaica, and the United States requesting support for this intervention.

REASONS FOR REQUEST OF U.S. INTERVENTION

Many have said: Why the United States? It is a simple reason. We knew that the United States had the ability and that, in fact, they had the ability not so far away because you will remember that on the Friday or the Saturday, they had asked the U.S. carrier *Independence* to divert its journey to Beirut to be close at hand in case they were required to get the American citizens off Grenada. Some of us had been on the *Independence*, and knew that that ship alone had the capacity to do for us what we required doing. So it is a simple matter why it was that we came to the United States, because they had at hand the means of helping us.

However, when I left Barbados on the Monday morning, we had not had a reply from the United States that they would help us. Quite frankly, we were considering that, with Beirut having happened, they may not want to help us. For that reason, I began to set in motion the means of my getting to America to talk with the State Department, to sort of hurry things up, show them the need, the urgency of our request.

That is why I was in America at the time the intervention in fact did take place, because the decision to answer our request in the affirmative went to Barbados while I was traveling up to the United States.

I think that it is important, therefore, that persons realize that it is not America that requested us to request this support, but that we, in fact, ourselves asked for the support.

I think that it must be made clear that although we are a small country, we are grateful that America realizes that we are allies of America. Although we probably could not return the compliment by coming to America's support in that way if they did ask for it, the same relationship applies between the larger country and us, the smaller countries.

I thought to myself, what would have been the result if America had refused to assist us. We could not have taken any action. It is obvious that we were not on our own able to take the action. So those persons who now in hindsight say that the intervention was right, but the Caribbean countries should have done it themselves, are not really thinking logically right through or they would realize that we could not have done it ourselves.

So action would have been taken. The activities to bring the other islands under Communist domination would have heightened, and by this time would have been in place. Let us be honest. The future of my country is probably paramount to me, and certainly none of us in Dominica wanted Communist domination by anybody.

RECESS FOR FLOOR VOTE

Senator McCLURE. I must apologize, but there is a vote on the floor and I think we will have to go at this point to vote.

Prime Minister CHARLES. We understand.

Senator McCLURE. We will return in just a few minutes. I apologize for having to interrupt.

We will stand in recess subject to call of the Chair.

[Recess].

Senator McCLURE. The committee will come to order.

Please continue.

ARMS BUILDUP

Prime Minister CHARLES. In 1981 and 1982, the buildup of arms took place, heavy arms and sophisticated weapons. I know nothing of weapons, and my mind boggles at the sort of things that were brought to Grenada. Even at the time that it happened, we were told about the armored tanks and armored cars that were being brought to Grenada. It just seemed impossible to us that this could be happening to an island next to ours. What would they be doing with that sort of equipment?

We also knew that they had 100 small boats that were powered by batteries which would have had the capacity to come to any one of our islands. They probably could have crept in through my window one night and have gotten rid of me in that way. There were many reasons for us to be frightened at the buildup of arms.

As I said, it was far above what would ever have been required in Grenada.

I know that we have had some training, and this is something that was agreed on with America before the Grenadian incident that some of us should have a little bit of capacity, a little bit of training for policemen so they could withstand any first onslaught of anything of this sort.

Every island has a little group of Communists, as you can understand. These people have been saying that we have been getting arms, and they have talked of my getting antiaircraft missiles. My answer has been that I don't want any antiaircraft missiles, but I wouldn't mind having the aircraft, if I would be given the aircraft.

The fact remains that the arms that were in Grenada were far more sophisticated and far more in quantity than the whole region put together could have used, and this was something that had been frightening to us for some time, particularly in the hands of men—Coards and Austin—who acted as they did on the 19th.

I think that it is right to stress that the persons who appeared to be at the back of the action on the 19th were persons who had for many months been close supporters and close friends, really almost idolizers of Bishop, and if they could act that way toward a man who they had been so close with for so many years, you realize that they would have had no compunction to get rid of anybody else in the same way.

SAFETY OF U.S. CITIZENS

This answers the question of whether American visitors or U.S. citizens were safe in the country at that point. Remembering that they had been fed for a long time on hatred of things in America, there would have been no reason not to turn their guns on them or, worse, to take them hostage. We are very much copycats in this world, and we have had the history of the American hostages taken before. I think that the administration was right to be concerned about the safety of American citizens there.

I have sometimes been told by the media: You have not made this your most important point. I say, each person sees things from a different angle. Obviously, the U.S. President is more interested in American citizens. Obviously, the Prime Minister of Dominica is more interested in the safety of Dominica. It is not that we don't see the need for the other, but the stress is put on the things that are the closest to you in this respect.

I can say that if, in fact, the United States had refused to come in and support us in this action, no action could have been taken. Grenada would have gone on in the way of the 19th and the 4 days thereafter. There was no reason to believe that there would be anything else.

CUBAN PERSONNEL IN GRENADA

Remember too, that in Grenada, we knew that there were Cuban people. I have always felt that they were not pure laborers, they were not just masons smoothing concrete on the airstrip. I have always thought that they were soldiers as well. This is because of the approach that the Cubans have had to us about giving scholar-

ships to our students. The Cubans require all students to take some military training. It is obvious that everybody is a little bit of a soldier in Cuba. So I felt that the Cuban workers were also soldiers.

RUSSIAN PRESENCE IN GRENADA

In any event, there was also the presence of Russians. Forty-five Russians in an embassy in Grenada. We don't have an embassy of any foreign country in Dominica. Then you had the Libyans there. You also had the North Koreans. You also had the Bulgarians, and the East Germans.

I don't know how many even know that Libya has made a play to train our people in Libya, ostensibly university subjects, but the persons they have chosen, none of them would have the criteria for entering a university. So no one can blame me if I query that this is the actual training that they were going to receive.

We also know that the dissidents at home, the little Communist group, were in and out of Grenada, receiving instructions, and obviously economic help, because none of them are employed in any field, but all of them live better than anyone else in the country. So, obviously, they have some means of surviving, and the frequent trips in and out of Grenada led us to believe, and I think it would be factual to say that, in fact, they were getting assistance, not only ideological assistance, but economic assistance also from the embassies that were placed in Grenada. This is another reason why we were frightened by what was happening in Grenada. I think that the U.S. citizens were in danger.

I am saying that if we are to have any Communist domination in any of our islands, then it must be voted for by the people. Chile is the only place I know that has elected a Communist government. If the majority of the people in Dominica wish to elect a Communist government, I will bow to the fact that the majority has the right to control the country, but I will not stand by and let the people foist upon us any domination that they wish to bring. It must come from the wishes of the people.

U.S. INTERVENTION GREETED WITH ACCORD

I think I speak for the vast majority of Caribbean people when I say that we all welcomed the intervention. The decision for us to go in was greeted with a loud acclaim by the majority of Caribbean people. When I returned from the United States—I was here, as I told you, when the action began on the 25th—on the 27th, I was greeted by 10,000 people in Dominica who were so pleased that we had taken this action, and they lined the route for 7 miles to my home to tell me thanks for doing what I had done. I remember phoning back here and saying that it should be conveyed to President Reagan that I was sorry I couldn't do the same thing for him in the United States.

It was obvious that all of the Caribbean people supported the intervention even though there were some governments that did not think it was right to support this action—I think every government has the right to support or not—I think that it is true to say that the vast majority of the Caribbean thought that the interven-

tion was right, it was timely, they were glad, and they backed it 100 percent.

The one regret that we all have is the fact that it cost lives. If we could have done this without any person losing their life over it, we would have been much happier. We felt badly that we had to inflict this injury on people from a friendly country, the United States who had come to our assistance. I think everyone, soon after the intervention took place, in November we have the armistice day that you probably have all around the world. I think that on every one of those islands there was a special thought that a wreath should be laid in memory to those Americans who had given up their lives for us, for democracy, and for our future. I don't think that it will be something that will be forgotten ever in the islands.

COSTS INVOLVED IN GRENADA ACTION

We know that it also cost money. Quite frankly, there is no leader in the Caribbean who wouldn't have preferred that kind of money to be spend on development, but we realize that we couldn't have, and you cannot have development unless you have the security to permit development fo flourish. So we think that it is money that had to be spent.

We would have preferred that it be spent another way, but we know that it had to be spent to permit us to go forward with our plans for a free, democratic society in which the people are given the opportunity to build for themselves the country that they want to live in. This is what the action on October 25 did for us. I think that all Americans should be proud that this action was taken by the country on our behalf. We certainly are extremely grateful that this was done. We have no doubt that the Caribbean people on the whole, more than the majority, I would say, also feel that way about it.

RETURN OF DEMOCRACY TO GRENADA

You will say: Has democracy returned to Grenada? I am sure that the others who are going to give evidence will have more to say on this than I have. However, certainly, I know that I can now telephone anybody I know in Grenada and they won't be afraid to speak to me as they were in the past. I know that if I ring a number and there is no answer, I don't have the fear that the person's telephone has been cut off because they don't want to get in tough with the outside world.

I know also that Grenadians are speaking out publicly. I, myself, have received over 800 letters, many of them from Grenadians, both in Grenada and outside of Grenada, thanking us for the intervention. In almost all of the letters they say, "We are now free to speak our mind." It must be very difficult for a person living in the United States, where you have so much freedom of expression, to appreciate the fact that persons were not able to talk about things that were happening in their country. I think that in that respect we can say that democracy has returned.

ELECTIONS IN GRENADA

It will not return fully until we have elections. There is a difference of opinion, of course, on when Grenada should have elections. I don't live in Grenada, and I would like to see elections take place this year, but I am prepared to bow to the fact that the persons who live in Grenada understand the situation better than I do, and they think it cannot take place this year. It is Grenadians who must decide when they want their elections, but they must be encouraged to have elections as soon as possible.

One can understand the diffidence. They have had two regimes that have not brought them any sense of security. Therefore, they are probably a little bit allergic to politicians on the whole, and they think that we have to be sure that they understand that politicians are not all the same.

As to when the elections will take place, there is a diversion of views, but we are sure that they will take place and that alone is important, because we had no such feeling during the Bishop regime. We knew, in fact, that they would never take place under that regime.

U.S. AID TO CARIBBEAN NATIONS

You wonder how America can still continue to help us. America has given a lot of aid to these countries. Most of it in the past has been aid given to the organizations that look after us, such as the CDB, and the CARICOM, and so on, but in the last 2 or 3 years there has been much more bilateral aid.

I am a person who believes that both forms of aid are necessary. There are times when regional programs are the best. There are times when it is better to do it through a regional organization because of the way of looking after the whole program, but there is always room for bilateral aid, and aid is important to us.

We do not want to be always an aid getting country, but at the moment, with our infrastructure, unless we have aid, we are not going to be able to build the countries to be strong and secure, and able to stand side by side, and not give people worries as we have in the past. So the aid is important, but the opportunities to trade and to have investment made in our countries are also vitally important.

SUPPORT OF CBI

It is one of the reaons why I have always supported the CBI. I think that it gives us the ingredients for that. I am particularly glad that the CBI changed its colors in a way from the way the aid package was first thought of when it was put forward. It is because of the fact that our opinion in the Caribbean was requested that a change of such an importance was made to include trade and investment elements.

I think it is perhaps the most important thing about the CBI that it came out almost as a partnership agreement, in consultation with the persons who were to get and the persons who were giving. It showed a maturity of thinking in the partnership be-

tween us that I think is exemplary, and I hope it will continue in the future.

I, myself, believe that where Grenada is concerned—People have said to me, aren't you worried that Grenada will get more aid than you have? I think that if Grenada deserves and requires more aid, let them get it. I am not a person who is jealous about what will come to one country. I think that it is important that all of us, working together, see that the aid goes in the places where it will make us strong as a people no matter which island gets it.

U.S. HUMANITARIAN AID TO GRENADA

The question has been asked about aid for humanitarian relief to Grenada regarding the damage of property. I think that it is important that the United States does give this sort of aid. It is important that America is seen as not turning its back on the action afterward. There is no legal responsibility, I would say—although I am loathe to talk as a lawyer these days, since I think the years I have spent in politics have taken away from me the ability to be a lawyer—it would be of great importance if Grenada received that sort of aid which would help them to repair the damages, because the Grenadians spontaneously came out with support of America, with a desire for America to come in.

I am sure it must have hurt very much the persons who advocated the Bishop regime to find that Grenadians spontaneously said: God Bless America. Thank you, America, for coming to our assistance. This was done by the people of Grenada. Remember at that time they had no leaders.

This was done by the common people of Grenada, and I think that it is only another way of showing that America appreciates being appreciated, because so often you have assisted other parts of the world and you have not gotten appreciation. In this area, we appreciate what you have done. I would like America to know that we are grateful for what you have done.

I have always said that you have a duty because we are on your front doorstep, but then one doesn't always help the persons at one's front doorstep. So that we are glad to be able to say thank you for what you have done. We did it together. You bore the larger brunt of it, but we did it together, and I would like such a partnership to flourish in the future. We both have our democracy and ideas of democracy from the same source, and I would like to see that we are flourishing together in it, and because we have these democratic beliefs, we are able to be partners together and to live well together.

Thank you.

Senator McCLURE. Thank you very much for a most impressive statement.

I think that before moving to questions, I will call upon the other witnesses. Perhaps, Mr. Noel, you would begin please?

FORMER GRENADIAN ATTORNEY GENERAL

STATEMENT OF LLOYD NOEL, FORMER ATTORNEY GENERAL FOR GRENADA

ACTION TERMED RESCUE MISSION

Mr. NOEL. Thank you, Mr. Chairman.

Let me say that it is a pleasure to be afforded the opportunity to be here and to be able to give evidence before your distinguished committee.

On the question of the situation in Grenada after October 19, I think I will abide by most of the things my honorable friend has said because, as you have said in your opening statement, on that date I was in fact incarcerated in a prison in Grenada.

I would like to address the question of whether in fact what you did—by you, I mean the United States—was an invasion, an intervention, or a rescue mission. I speak for me personally, and for 102 other political prisoners who were freed on October 26, 1983. For us, it can be nothing more and nothing less than a rescue mission. For this, we thank the United States and, of course, we thank the honorable Prime Minister and her colleagues in the OECS, without whose help, without whose initiative and courage, I am sure I would not be here today to be talking to you.

In fact, on October 20, the day after Mr. Bishop and his colleagues, and a still unknown number of Grenadians were killed—I only heard yesterday, and that is perhaps a rumor that the figure is now over 100 people who died on October 19. On the day after, a number of my colleagues in prison, and myself, were placed in a dungeon under the main jail.

A member of the armed forces in Grenada told me afterward that the order was, if ever any hostilities started, we were to be short. I have no doubt that that was the intention. As it happened, we were not and, of course, we walked off freely.

POSITION OF MEMBERS OF ST. GEORGE'S UNIVERSITY MEDICAL SCHOOL

As to what the position of the Grenadian civilians was in Grenada between October 19 and 25, I have the privilege of talking to members of the St. George's University Medical School, whom I represent as a lawyer, and a number of the students, American citizens, all told me the same story, that as far as they were concerned, between the 19th and the 25th, they were in fact as sure as I was that the chances of survival were nil. To them, speaking here as their legal adviser, I am sure that it was a rescue mission.

As for the bulk of the Grenadian majority, I think they have spoken for themselves over the months, and I would not even presume to speak for them.

REASONS FOR AIRPORT IN GRENADA

What we know or do not know about the Cuban and Soviet intentions in the Caribbean, I am sure the U.S. intelligence, and so forth, are well equipped. Let me just say in passing that when I go back to November 1979, and the announcement that there was going to be an airport built in Grenada, a so-called international

airport, it obviously suggested that it was intended for commercial purposes, I was convinced then as I am now that there was no such need, bearing in mind what exists in Grenada in terms of infrastructure for the development of tourism.

At that time, we had about 750 hotel beds. The tourist trade in the Caribbean, particularly in Grenada, principally because of the policies and attitudes of the PRG—the People's Revolutionary Government—had dwindled. I couldn't understand the logic and the economic reason for suggesting that by merely building an airport, tourists were going to fall from the air like manna, therefore, the tourist industry was going to arise. I didn't believe it then, and I don't believe it now.

The reason mainly behind my disagreement with the PRG, and, of course, my eventual resignation from the government as attorney general, remain exactly as it was. The intentions were clearly to make Grenada and Grenadians slaves in our own country.

RESULTS OF POLL AFTER RESCUE MISSION

How Grenadians feel, and the people of the Caribbean, I am sure Ms. Charles has answered this as eloquently as she always does. Right up to now, and I live there, I talk to people, not only in practice but in everyday life. I took the liberty of doing a poll right after the rescue mission of me and my friends, if nobody else. I remember that we sent out over 7,000 leaflets asking people to say in one or two words whether they agreed or disagreed with the mission of the forces, and over 5,600 of those leaflets came back to me, and there were only three persons who indicated that they did not agree. I have since sent all of those leaflets, signed, to the White House, and I know they were received.

If we take 5,600 literate adults and extrapolate over a total population of over 100,000, we are talking about over 90 percent of the people. To me, if sovereignty means what it says, if international law has any basis at all, it must be based in the people for whom you are talking, because government, on a very basic definition of democracy, must be of the people, by the people, and for the people. If Grenadians say that this is what they want, that is good enough for me.

I was very happy to hear a quote from the President that if the U.S. General Assembly wanted to vote as they always do, and the Security Council wanted to vote as it always does, if the press agrees with their leftist position, or their so-called humanistic position, they are supporting the democracy, it is a matter for them, but, as he said, it doesn't stop him from having his breakfast. I agree with that.

DEMOCRACY IN GRENADA

Is democracy restored in Grenada? In my opinion, democracy is an ongoing process. It never ends, it can never end. Because of its very concept, because of its own built-in uncertainty, it is always going to be the subject of differences of opinion, of disagreements by people, be they Republicans, Democrats, Jewels, or whatever. That is the beauty of the democratic political system and ideology.

In Grenada today, I think we can say that it has started again simply from the very fact that 1 week or 2 weeks, I can't remember, after we were released from prison—those of us who were unfortunate enough to be locked up because we had the audacity, according to the government, to follow the law and publish a newspaper, the Grenadian Voice, we were put in jail, where I stayed for 2 years and 3 months—were able again to resume publication of that newspaper, the Grenadian Voice, and it has been published every week since then.

What has pleased me perhaps more than anything about that process is the fact that not only do people who say they are for law and order and freedom of expression, do they write, but a number of the very people who for the last 5 years saw it fit to put me in jail because I wanted to speak, they now take the opportunity to send letters and articles to us, which we are very happy to print, even when they tell us in the article that they don't think that we are going to print it. We show them that we not only meant it, when they were oppressing Grenadians, but we mean it now. In that sense, I think, we have started the process.

U.S. ASSISTANCE TO GRENADA

As to how the United States can assist. To me, as a Grenadian who wants to live in Grenada, that is my country—I was not only proud to take part in building the process in opposition to what I considered unconstitutional practices of Mr. Geary, and I continued my opposition when I realized that my very colleagues and friends were doing exactly the same thing, and worse, when they had the opportunity to put it right. To me, then and now, if something is wrong, it doesn't matter who is doing it. As we say on the masthead of our Voice, "The Right Alone is Right. The Wrong is Always Wrong."

The United States, in my opinion, because of the very courageous position they took, and I am sure the President in responding to the invitation by Ms. Charles, the chairman of the OECS, was considering and must have been aware of the backlash, the opposition he would get of this big elephant trying to crush a little flea, as it is said. But I think that he was also very conscious of the fact that freedom cannot only mean the ability or the right for 280 million people, and not for 100,000. If you are free, whether there is a billion and it is enjoyable, it must be the same if you are one person, because it is also enjoyable.

I think that what we want to see in Grenada is a return to a situation where people have confidence in each other, first as human beings, because no matter how much economic progress we may make, how many factories we build in Grenada, and all of the fancy hotels, if we cannot get our people to trust each other, to trust the men and the women who are going to come forward and put forth themselves as political aspirants in the future—if we can't get that, Grenada and the Caribbean will just be back where they were 5 or six years ago.

So, it seems to me that one of the basic needs today is for America, by whatever process she decides, be it through U.S. aid, be it through PIC or whichever, to make the funds available. Not to give

people something for nothing, but funding whereby companies, particularly American companies, in joint ventures with Grenadian companies, and perhaps the Grenadian Government, will be given the opportunity to use capital so that they can begin their investment in Grenada on the basis—if and when we have what they consider to be a stable government, because it is elected, they must pay back the money—in packages of bridging, short-term loan, that would give the guarantee that shareholders and stockholders need before they say, "yes, invest."

I feel that companies in America that obviously are going to Grenada, not because we have a gold mine—there is no gold mine there. We have sand and friendliness. I think they are coming in because they are supporting the American Government on the principle that if it is right at Government level, it must be the responsibility of individual companies to show that they are taking care of their duties by putting in their bit.

If the Caribbean is safe, if our sealanes are safe, and Grenada is the strategic position, you say it is, it means that the American companies in America must be as threatened as would the American Government as a Government. So the responsibility must be shared by all.

I believe that if we are going to get democracy back on course, the Grenadian people, who, as Ms. Charles said, must make the decision, must have the confidence in the economy, in its stability. They must have the opportunity to see in Grenada, not just talk, not just statements and endless documents, to see jobs, to see education, to see law and order, to see the judiciary, to see these things actually operate.

RICHMOND HILL PRISON INMATES

To me, one of the biggest problems facing us today in terms of security is the question of trial of the people in Richmond Hill Prison. I can never agree to people being held in jail without a trial. Therefore, I welcomed a few weeks ago the charges of a number of persons, I assume, because there is evidence. I deplore the fact that there are still some people who are just there as political detainees. It was wrong for me, and it must be wrong for them. If there is no evidence, they must be released. If there is evidence, they must be charged and tried in court, fairly and swiftly.

The problem we have there is that there isn't a competent legal department to process the evidence, and to prosecute at trial. It seems to me that that is where a lot of attention should be placed in bringing about democracy in Grenada. Because, if there is no law and order, if people do not have the confidence that the court and the judiciary is independent and functioning as such, then they cannot have confidence in investing the moneys, whatever the prospect of making a profit.

COMPENSATION FOR DAMAGED PROPERTY

On the question of compensation, I think this is the one remaining sore point among a very tiny minority of Grenadians whose properties were damaged, and one or two who lost their life. I accpet the argument addressed to me by legal personnel from the

82d Division that your Congress or Senate laws do not make provision for war damage. However, I think that because it is so small, because it would do such a great public relations job, a way should be found to compensate the people who have lost their properties, have lost their homes. They are not making a fuss, they are merely asking for what you like to call in law an ex gratia payment. I think that this should be done.

AMERICAN FOREIGN POLICY IN CENTRAL AMERICA

Finally, the question of what will happen and how it affects American foreign policy in Central America. I don't feel competent to give an opinion because I don't know enough, but I think what is important and one of the lessons that should be looked at and looked at very carefully—I am not saying that this is what is happening, but I have tried to explain to all of the persons I have met in the State Department and all Congressmen I spoke to—if we go into an election situation in Grenada, be it forced, be it pressured, be it ever suggested, simply because people believe that election is the be all and end all of democracy, I feel that we will be making a grave mistake.

ELECTIONS IN GRENADA

It seems to me, having lost that unfortunate number of American lives, double the number of Grenadian lives, spent all the money you have spent—nearly $80 million, I have been told—it is far better, far safer, far more prudent to wait 12 months and give the people time to get out of the trauma, to get out of that dream, get back on their feet again, rather than have an election, and then have a government for 5 years, and that is what it would mean. It would be worse to wait 5 years, and it must be better to wait 12 months.

In that context, I would suggest, and I disagree, as sadly as it is to disagree with my friend and helper, I think we should wait until we have done those little bits that must be done before we can begin to use the machinery of election to bring about an elected and required government in Grenada.

Thank you.

Senator McCLURE. Thank you very much.

Before introducing our next witness, I would like to recognize the presence of his very gracious wife, Cynthia Hughes, who is also with us today.

With that, Mr. Hughes, would you pleased proceed.

JOURNALISM COMMUNITY

STATEMENT OF ALLISTAIR HUGHES, GRENADIAN JOURNALIST

Mr. HUGHES. Thank you very much, sir, and may I say how much it is an honor for me to be present.

May I ask whether that is a call for you to go to vote on the Senate floor again?

Senator McCLURE. No; not this time. We are like school children, our lives are run by bells.

Mr. HUGHES. May I deal first of all with the matter of the justification for what was sone in Grenada by the United States and by Ms. Charles and her colleagues in the Caribbean in the OECS. May I refer to an opinion poll that was done in Grenada early in January by a professional group from Trinidad. This poll was conducted at the request of four Caribbean newspapers. The very first question that was asked there gave some indication of how inside of Grenada, we have no problem as to whether it was justified or not.

REACTION TO U.S. ACTION IN GRENADA

The first question asked: There has been a lot of controversy about the decision of Caribbean countries and the United States to intervene with military force in Grenada. Some people say that the intervention was not justified, and that there were better ways to resolve the problem. Yet, others have said that the intervention was against the principles of international law and the U.N. Charter, and should never have been undertaken. Which of the following statements best describes your own reaction to the military intervention?

There are seven statements beginning with: Intervention by multinational forces made up of Caribbean and American troops was a good thing. It runs right down to the last question: "Intervention was a disgraceful episode in Caribbean history." One percent answered in that vein. Under the first statement, 86 percent answered. So the overwhelming majority of Grenadians were delighted and pleased with the rescue mission, because they knew what they were being saved from.

Since the intervention, I have become a VIP, a very interviewed person. I have had great difficulty in understanding why, when you explain to people what happened in Grenada and why Grenadians feel this way, why it is not immediately evident to them that what happened was a good thing.

I have come to believe, because the discussions that I have had with people have been in air-conditioned, comfortable surroundings, perhaps sitting at a bar, perhaps at the beach, but in circumstances quite different divorced from October 19, that it is difficult for anybody who was not there to fully understand. So I crave your indulgence, sir, to ask you not to think of what I am going to tell you now as a joke, but to look at it seriously as if it could and did happen.

Can you imagine, sir, if there was a rift between your Vice President Bush and President Reagan? Can you imagine how it would be if Vice President Bush had the support of the Chief of Staff of the Armed Forces, and between the two of them, they put President Reagan under house arrest. It sounds ridiculous, but just think of it for a moment.

This goes on for a few days, and then thousands of Americans assemble, led perhaps by Senator Paul Laxalt, and demand that the President be released. Washington is in turmoil. The Armed Forces seize upon the Senator and put him in jail. Two days later, Congressman Jack Kemp leads a demonstration, and perhaps you have, in relation to size, 50,000 or 60,000 people storming the cap-

ital and releasing the President from the White House and taking him up to the Capitol.

The place is all agog. This has never happened before. The President has been rescued from the White House by the mob, by the crowd, by the people. Then the Army move in with tanks and automatic weapons, and turn them on the people. Thousands of Americans die on the hill. They go inside and they take the President, and some of his Cabinet who are there with him, and eliminate him, assassinate him.

It sounds ridiculous sitting here, but that is what happened in Grenada. On top of that, and I would like to read to you what the Joint Chiefs of Staff would have broadcast to you:

> The Joint Chiefs of Staff have, as of 3:00 p.m., today, established a revolutionary, military council, which will form the government of the country until normality is restored. Let it be understood that the Joint Chiefs of Staff will govern with absolute strictness. Anyone who seeks to demonstrate or disturb the peace will be shot. An all day and all night curfew will be established for the next 4 days. From now until Monday at 6 o'clock, no one is to leave their house. Anyone violating this curfew will be shot on sight. All schools are closed, and all workplaces, except for the essential services, until further notice.

In other words, the American people are under house arrest for 4 days. You can't got to the supermarket. You can't take your car out of the garage. Your kids are not to go to school. I know that it sounds ridiculous sitting here in these comfortable chairs, and with no threat, but that is what happened in Grenada.

I would hope that this analogy would have some sort of bearing, because I cannot find any other way to help you understand the situation in Grenada. Canada to the north, with thugs in charge of Washington, with absolute chaos here because the government has been eliminated, would have to seek help from her European colleagues, and a rescue mission would have to be undertaken for you.

I am pleading for any who might hear what I have to say, that this analogy be taken seriously, so that you can understand. I would hope that the world would have a better understanding of what happened there and be satisfied and be convinced that the rescue mission was something that had to be undertaken.

SAFETY OF STUDENTS IN GRENADA

As to whether anybody was in danger. We in Grenada know, and one of your adopted countrymen—he is Australian by birth, Dr. Goeoffrey Borne, who is the vice chancellor of the university down there—told me that Gen. Hudson Austin had come to see him. Gen. Hudson Austin was in a terrible state. He said that he didn't think of how he could be in charge of the island when he was not even in charge of himself. Dr. Borne was very concerned about the security of the students who were on the island.

PROPERTY DAMAGES IN GRENADA

Both the Prime Minister and Lloyd Noel have referred to the compassionate allowance with reference to the property damage in Grenada. I am afraid that somehow the American Embassy in Grenada has stirred this trouble up, perhaps unwittingly. Shortly after the intervention, they set up a claims office, and it became generally understood that they would be paying for all damage.

I and several other Grenadians were absolutely amazed because here were some people who have come in to help you, and in the helping they knocked down buildings, they damaged cars, or whatever, and now they are going to turn around and offer to pay you for that damaged. Such generosity just was beyond bounds. I couldn't understand it.

So everybody, with great anticipation, started to assess their damages and got ready to be paid. Then it was discovered that they were only paying for the damage that took place otherwise, what they call normal damage. Those claims still remain hanging up in the air, but the expectation was raised.

I believe that had that not happened, there would not have even been a thought of it, because the man who has come to help you to that extent, and had so much loss and expense himself in money and lives, cannot be really expected to pay for that. But because of the circumstances, I wish to endorse the thought that you seek some way to make compassionate allowance, which would have no bearing on any future claims, ex gratia allowance to get rid of this feeling of dissatisfaction there because of these raised expectations that were not fulfilled.

Could I refer to this poll again, with reference to the matter of elections in Grenada? If you wish, sir, I would make copies of this available to you.

Senator McCLURE. I was going to ask if you would do that. We will make it a part of the committee record.

Mr. HUGHES. It will be a pleasure, sir.

Senator McCLURE. Thank you very much.

ELECTIONS

Mr. HUGHES. There is a question here as to when elections should be held. How long do you think the new caretaker government should remain in office before elections are called? Six months. One year. Two years, or more than that? The smallest percentage didn't know, and that was 8 percent. Six months, it was 11 percent; 1 year, it was 22 percent; 18 months, it was 15 percent; and for the 2 years, the greatest percentage, it was 29 percent.

Attached to this, 39 percent of the sample said that they did not know how they would vote, and 23 percent said that they would not exercise their vote. This, I think, is a very strong reflection of the lack of direction in the political world now. We have not had party politics in Grenada for 5 years, and the scene has not gelled. No political party, up to the time that I left Grenada the day before yesterday, had had a public meeting.

People are uncertain as to what is being offered, and what is very likely to happen, if we have elections too soon, is that people are going to choose the least undesirable. I think that that is a horrible basis on which to pick a new government.

U.S. IMMEDIATE ASSISTANCE TO GRENADA

Finally, sir, what you should do for Grenada now and how you can assist. Nobody, I think, can fault you up to this point. You came in, you performed the rescue mission. Within a very short

period of time, you pulled out your combat troops. You left 150 military police, along with the Caribbean troops to help us. I think we must have 600 to 800 people there now. You left equipment and helicopters to help us. They have a very low profile. They have mixed in with the population, they have almost blended with them. I will give a slight example of this.

There is a sergeant, one of the military police, and his name is the same as mine, except that he doesn't have an "e" on the end, H-u-g-h-s. He went to the museum and told them that there were many young men he saw around who had nothing to do, and he wanted to get them off of the streets. He wondered about the national monuments in Grenada, and whether they could do anything about preserving and improving them. The museum knows that that is one of my interests.

He came to me and we discussed the matter. He was offering to get a canteen and some C-rations, and go to one of the forts. We went and looked at it to clean it up. What he wanted was some machetes. I have some contacts in the commercial world, and I was able to get him 50 machetes. By the time I get back, I expect that Fort Frederick will have been cleaned up, and we are going to move on from that to do other things.

I cite this to indicate to you that they are not there just keeping the peace and walking around, lording it over people. They are mixing with us. They are part of us. There is no sense of an occupying force. What we have is some men who are our friends, who have helped us, and who are now living with us as friends.

I have had officers come to visit me. I have had NCO's, and I have had the ordinary run-of-the-mill soldier come to my house. This is indicating quite clearly that we don't have any domination by any foreign forces, but friendly people.

What happens now? There is only one area that I think that you have to be extremely cautious. At Christmas time, there is a firm called Hasbro that brought down 50,000 toys. There was a Congresswoman who came down, Schneider, I think her name was, there was a distribution of the toys, and everybody thought that this was an excellent gesture, and it was well appreciated.

However, subsequently, there has been—I don't know who brought them down, and I don't know who distributed them, but every secondary schoolchild got a pen, and every primary schoolchild got a Mars bar. There is a great deal of danger in that, because you stick your hand out and you get a pen, then you are going to want a notebook, and perhaps you could move on and get a pair of shoes. They did bring down shoes for distribution.

There are lots of people in Grenada who could do with pens, who could profit by notebooks, who could profit by shoes, but it must be with consultation so that they can be properly distributed, and that you are not going to convert Grenadians into "give-me give-me" people, who think that they only have to stick their hand out and something good is going to fall into it from Uncle Sam.

We don't want to become that independent and feel that you are now our rich uncle, and that you are going to keep us going. That, I think, is where you need a little caution, but as of now, I think that all that Grenadians can say to you is that you have done very well, and thank you.

Senator McCLURE. Thank you for your testimony. I just regret that all Americans wouldn't have the opportunity to sit where I sit this afternoon and hear the three of you and your very eloquent statements.

Senator Rudman passed me a note a while ago, which I think is pertinent. I hope he won't be embarrassed if I repeat it. He says, "These three witnesses are better than any of our own." I don't think that derogates one bit from the capacity of our own witnesses who have appeared and testified and told us what happened.

WEAPONS ACCUMULATION ON ISLAND

Mr. Noel, you have indicated that you knew that there were weapons being accumulated on the island, and yet you were in prison during that period of time. How did you know that there were weapons, is that something you have been told since you were released from prison?

Mr. NOEL. No, sir. In fact, because of my association with the New Jewel Movement for a number of years, I had friends among the army. Therefore, during my period in jail, some of the friendships continued, and a number of them who regretted—I must say that there was a lot of compassion on the part of some of them—my position always sought the opportunity to come and talk to me. It is through those sources that I got to know what was happening on the outside.

Although for months at a time, I was never allowed visits from my family or from anybody from the civilian world, but one or two of those persons were always good enough to keep me abreast of what was happening.

Senator McCLURE. So you got the information, even though you were in prison, and you got it from people who were in a position to know.

Mr. NOEL. Yes.

Senator McCLURE. Can you speculate as to why you were not shot on October 19?

Mr. NOEL. I will give you a very interesting episode. On October 19, I was in jail, of course. But on October 25, when the shooting started and the helicopters were overhead, and the People's Revolutionary Army and the Cubans were resisting—above where I was in this dungeon is the normal prison for convicted prisoners—they hearing the gunshots, got out of their cells and they started running down the stairs in an attempt to get out of the jail. Some prison officers and soldiers came into the yard and they shot them. One fellow was shot, and he eventually died in his cell.

They came down to this dungeon where we were. There were 20 of us in 8 cells in total darkness. This soldier, and I knew that he was a soldier because there was a candle behind him and he had a gun, when he came to my cell, he asked who was there. I said, Lloyd Noel. They were in the process of putting two locks on every cell door so we couldn't get out. When I told him that it was Lloyd Noel, he took off one of the locks, and he left me with one.

I can only say that with some of them, there was compassion, and maybe that is why I was not shot.

Senator McCLURE. Madam Prime Minister, I don't know how to thank you adequately for your leadership. You, in your own capacity as Prime Minister of your own country, and in your capacity within the organization of which your country is a member, took a very important role and continue to have that important role, in my judgment.

You have reaffirmed here today what has been questioned in this country, that is, you came to the United States seeking help, while it is being said by many that the United States must have gone to you, seeking an opportunity to intervene. I must ask you again, for the record, if the United States approached you first?

Prime Minister CHARLES. No, Mr. Chairman. We approached the United States.

Senator McCLURE. Is the organization of which your country is a member continuing to monitor what is happening throughout the area?

Prime Minister CHARLES. Yes; we are.

Senator McCLURE. Do you see any change with respect to the activities that you felt threatening within your own countries prior to the destruction of the elected government in Grenada?

Prime Minister CHARLES. Yes. There has obviously been a lowering of activity among the groups that we call the leftists in the islands. I wouldn't say that they have completely submerged. I think they are waiting for an opportunity to get more fuel so that they can continue again, but at the moment, they are very dormant and they are loathe to show their heads because the public have shown an animosity toward them.

Senator McCLURE. Mr. Hughes, your analogy, you almost apologized for the analogy of the possibility of Vice President Bush and the military leaders doing to Ronald Reagan what was done in your country, but I think you made the point well. I think that story, you need not apologize for. I think that it is an eloquent exposition of the frame of mind and the status of conditions in your country at the time that you were being asked to respond to the initiatives taken by other people.

I intend to repeat that, and I hope that in some way, we can get that analogy with some greater and more widespread publicity in this country, so that the people here might indeed understand what happened there.

Senator Rudman.

Senator RUDMAN. Thank you, Mr. Chairman.

Let me simply add to the chairman's comments. I think your testimony here is extraordinary, each in your own way. I, of course, like other Americans, am familiar with you, Madam Prime Minister, and we certainly applaud your action. I find your statement interesting as an historical evaluation of the situation.

A former attorney general who was imprisoned certainly gives us a very interesting perspective, and I think that your definition of freedom and democracy is one that we all ought to look at. I think you put it rather well.

Of course, Mr. Hughes, I now know why you are such a well-known journalist. You paint marvelous pictures with words. I, too, intend to get a transcript of this record.

Let me ask Mr. Hughes just one question, Mr. Chairman, because he made a very interesting point.

Americans, sometimes, with their generosity can reap results that are precisely the opposite to what is in the best interest of those countries that they wish to be generous with. I wish you might just expand a bit on the last point that you made, because it was a very important point.

Mr. HUGHES. I am not quite sure how much more you would like me to say, sir.

Senator RUDMAN. You are suggesting that there be collaboration, in other words.

Mr. HUGHES. Yes, sir.

Senator RUDMAN. You might just elaborate on that matter.

Mr. HUGHES. I had a chat with the president of our chamber of commerce at the time that it was done, not the toys, but the second shipment with the pens, the shoes, the notebooks, and the sweets. He made the point—this was self-interest to a large extent—that every pair of shoes that is given away is a pair of shoes that is not going to be sold in town. There are a lot of people who will be receiving shoes who really don't need to have shoes given to them.

There are several organizations at home—the Red Cross, the Rotary Club, the Jaycees—who are in touch with people who are in need, and who would be very willing, I am sure, to advise, if you have a largesse to hand out, as to how it shoud be handed out, and actually to make the arrangements for the distribution of it.

What I would suggest is that if there are further things to be given away of this nature, either directly or, if it is a government thing, our government, whether it is elected or the present one that is there, or if it is through private individuals, then there can be a direct approach to Rotary, or the Red Cross, so that these things can be given out to people who really deserve to get them. So that we don't get this "give me, give me" attitude, which I think a lot of people in Grenada are afraid of.

Senator RUDMAN. Thank you very much.

I think, Mr. Chairman, you realize why I asked the question. In a broader context, in many of our programs, many of us question how our government handles aid in terms of not consulting enough with those governments and people who receive it.

Mr. HUGHES. I was taking it on a very low level, and you are taking it to something which is much, much higher, which is government aid to us. There are very few areas on which you can overspend in Grenada.

Senator RUDMAN. We understand that.

Mr. HUGHES. Again in that case, it is not for you to decide whether the majority of the stuff should go on roads or the airport. Unless we are involved in it, then the direction in Grenada is going to pass from St. George's to Washington.

Senator RUDMAN. Precisely. That is my point, and you make it very well.

Mr. HUGHES. We don't want that to happen.

Prime Minister CHARLES. I would like to say that in the 3½ years that I have been in government, I have found that working with U.S. AID, regarding projects for the country, there is complete and absolute consultation. At no time has U.S. AID tried to tell me, "This is where you should spend the money, and this is where we will not give you money." They look for your priorities, and where they can assist you, they do.

I must say that they have made a great effort to assist us in the things that they have given us, but they expect us, the government, to decide what the essentials are. This is something that we have also found with the European Commission.

In fact, if I may give an example, the European Commission, for example, wanted to assist on a road. I insisted that it had to go on a particular road, and they wanted to put it on another road. I merely told the official that I will not accept the money. You can keep it. I will not accept it unless it is put on the road that I want it put. He said, "Do you really mean it?" I said, "Yes; but you have to put it in writing that you are not giving it to me so that I can put it in all of the newspapers in Europe." Of course, I got it on the road that I wanted. [Laughter.]

I have found with the U.S. AID, we have had a very good rapport and an ease of understanding to the point that if I write and say, "We need so and so. Can you find the money?" The answer is, of course, "We have given you so much." I say, "Well, look again." I have found them to be very helpful.

Senator RUDMAN. Madam Prime Minister, I would expect that almost no one in your country would try to do anything that you disagreed with—I am talking about outsiders, not your own constituents.

Thank you.

JUDICIAL PROCESS

Senator MCCLURE. Mr. Noel, you raised one question and I would like to follow through on it for just a moment. You said that you need to have a judicial process to determine the guilt or the innocence of the people who may have been involved, and you don't have the competent staff to prosecute or to hear those cases.

Are you suggesting that we assist in providing personnel; and if so, how?

Mr. NOEL. Having spoken with the American people in the field, they have, in fact, made it very clear to me that, again, it is either your Senate or Congress laws that do not provide facilities; that is, the logistics for helping, not only Grenada but any country, in the legal field. In any case, your legal system differs from ours in the concept of common law and your laws.

I think that in giving aid to Grenada, some means can be found whereby part of that aid, either through the United Nations or the Commonwealth Secretariat in London, through the OAS in Washington, or some agency, whereby competent staff can be had to house our legal department in Grenada for the purposes of seeing that justice is done.

It seems to me that it is now that the defense, and quite rightly so, is going to be well represented by competent and well-reputed

people around the world. Justice to me is not a one-way street. It doesn't only balance to the defense, and not to the prosecution. It must balance, full stop, and for it to balance in our situation there must be competence on both sides, or else the people in Grenada would not get the confidence that what was done, if it was wrong and if the persons concerned were, in fact, responsible, that they should not just walk out or be convicted without due process.

Senator McCLURE. Where would we find these competent personnel? Should we look toward providing you the means to locate and compensate them? Should we look within the Organization of Eastern Caribbean States, should we look within the OAS to provide personnel, or simply to provide the mechanisms by which you would do it yourself?

Mr. NOEL. I think that it can be done both ways. But in the Caribbean, we have very competent legal personnel. In the Commonwealth, we have an abundance of legal personnel. I am not talking here simply of India and Africa, if you want to relate it to ethnic origins, but in Canada, England, Australia, and Singapore.

Senator McCLURE. Our friends in Canada have indicated that they were not just willing but very anxious to provide assistance, and I wondered from what sources the Grenadian people themselves would find it acceptable. I don't think that we can send judges and prosecutors into your country, unless there is as a matter of fact a local acceptance of both the need and the type and the personality of the people who come.

Mr. NOEL. I think again, sir, as with all aid, there has to be consultation. The people in the interim government, in fact, have been concerned about having a law body. We have gone to the Governor General with a delegation expressing our concern. He has, in fact, responded to say, first, there is a problem with the financing for hiring competent people; second, locating them. I think that it is in that field, the diplomatic experience and expertise of the United States can in fact come to bear.

Prime Minister CHARLES. I think we have assisted in locating some of the persons for them, but the financing, we have not been able to do that.

CONCLUSION OF SUPPLEMENTAL HEARINGS

Senator McCLURE. Again, I want to express not only my profound personal thanks to you, but thanks on behalf of this committee, of the Senate, and I think the entire Congress for your involvement, and for your appearance and presence here today. It has been most impressive. Again, I just wish that all Americans had had the opportunity to sit and listen today, perhaps our perspective would be better.

Thank you very, very much for your appearance.

[Whereupon, at 3:15 p.m., Thursday, March 22, the hearing was concluded and the subcommittee was recessed, to reconvene at the call of the Chair.]

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